December 1972

UNITED NATIONS RESEARCH INSTITUTE FOR SOCIAL DEVELOPMENT

UNIFIED APPROACH TO DEVELOPMENT ANALYSIS & PLANNING

CASE STUDY: KENYA

by

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UNRISD/73/1
GE. 73-1052

PREFACE

The present study of Kenya has been undertaken by Professor Dharam P. Ghai, Director of the Institute for Development Studies, University of Nairobi. It provides a critical review of strategies and policies carried out in Kenya and an analysis of the basic requirements for achieving a more unified pattern of development.

1. Brief History of Development Problems, Policies and Priorities

In order to understand the current development problems and policies in Kenya, it is necessary to see them in their historical perspective; for in Kenya, more than in most other countries, the nature of the development problem as well as the strategies and policies proposed to overcome it, have been deeply influenced by her colonial past. At any given time, the perception of the development problems, the objectives of development, and the proposed policies to give effect to them, are an interaction of a complex of factors. These factors have evolved over time and along with them the perception, objectives and policies in the field of development.

In the Kenyan context, four distinct periods may be distinguished, each marked by major changes in social and economic policy: the first period extended from the end of the World War II to the outbreak of the Mau Mau rebellion; the second period from 1954 to 1960, coincided with the Mau Mau Emergency and its aftermath: the third period may be described as the pre-independence period which lasted until the end of 1963; and finally the post-independence phase from 1964 to the present day. The transition from one period to the next was marked by momentous political changes, and set into motion in its wake, a series of far-reaching changes in social and economic policies. Many of these policies, however, were initiated in anticipation of the forthcoming political changes, especially in the pre-independence phase. It would, therefore, be more appropriate to regard each transition as marked by the vigorous pursuit of changes in social and economic policies precipitated by the underlying political change, rather than as cataclysmic departures from the immediately preceding period.

The First Phase: 1946-53

This period marked the recovery of the economy from the great depression of the thirties and the scarcities and constraints of the wartime years. The economy experienced an unparalleled growth, the gross domestic product increasing by well over 10 per cent per annum in real terms. The main sources of growth

were the post-war commodity boom, and large influx of foreign skills, enterprise and private capital. This period is also significant as marking the beginnings of formal planning in the Kenya economy.

Although the three East African countries had been forced to set up some sort of planning machinery during the Second World War II for allocation of scarce manpower, capital, land and imports, this was dismantled soon after the war. The new impetus to planning in the colonies was given by the need to prepare programmes for the expenditure of Colonial Development and Welfare Funds which were made available by the British Government after the war. As in other British colonies, the Kenya Government set up a Development Committee which prepared a Development Plan for the ten year period 1946-55. The responsibility for the execution and co-ordination of development programmes was vested in the newly created Development and Reconstruction Authority (DACA), which consisted of the Chief Secretary as Chairman, and of other official and non-official members. DACA was responsible for execution of the development programme until it was abolished in 1953.

The basic development strategy during this period and throughout most of the fifties was a simple one, and had its roots in the earlier colonial pattern of economic expansion in Kenya. Its main assumptions may be summarized as follows: the driving force behind development is the vigour and initiative of private sector. The role of the government through its recurrent and development expenditure is to provide the basic infrastructure and stimulus for the efficient functioning of the private sector. The best hopes of rapid and high economic growth lie in the intensive development of agriculture for exports to overseas countries and for sale of food crops on the Kenyan and East African market. The government thus has primary responsibility for accelerating agricultural growth through settlement, loans, agricultural extension, provision of roads, power and marketing channels. Furthermore, in keeping with the pre-war pattern of economic expansion, the main source of agricultural growth was regarded as the large scale European agriculture. Thus a major proportion of the development expenditure in agriculture during this period was directed to European agriculture

in the form of loans, research and extension services and settlement of European farmers. The role of the African agricultural sector was looked upon as provision of cheap labour on European farms and production of subsistence food for the African rural population.

For the non-agricultural sectors, too, primary reliance was placed on the infusion of foreign capital, skills and enterprise. The main function of the government was to create appropriate conditions for the development of private sector through maintenance of law and order, creation of the necessary social and economic infrastructure, favourable tax rates, and loans. The funds available for these purposes were strictly limited and were in the main determined by loans and grants from the British Government, and the loans that might be raised on the London money market. Thus in the allocation of these funds priority was given to projects which were expected to be most productive in raising production and incomes.

These priorities and policies were reflected in the ten year development plan. Of the total expenditure of £27.4m. between 1946-53, when the old plan was replaced by a new plan covering a three and a half year period from 1954-57, nearly 31 per cent was spent on agriculture and veterinary services; 16 per cent on roads and 17 per cent on education. However, a disproportionate amount of resources accrued to Europeans: as shown by the following figures:

Share of Total Development Expenditure: 1946-53

European Agriculture	7.5 per cent
European Settlement	6.1 per cent
European Education	7.9 per cent
Staff Housing (mostly European)	9.1 per cent
Total:	30.6 per cent

The above figures do not include expenditure on health and a number of other items which benefited Europeans. It would, therefore, seem that no less than one-third of the total development expenditure was concentrated on Europeans who constituted less than 0.5 per cent of the total population.

This period was characterized by an extraordinary expansion of the economy, fuelled by the post-war commodity boom and large inflows of capital and skills from abroad. However, most of the benefits of economic expansion accrued to the non-African minorities. While the number of Africans in wage employment rose rapidly and to some extent the wage rates, African participation in cash agriculture and in commerce, industry and services was severely limited. This was in large part due to a series of restrictions placed on African advance in education, agriculture and other productive sectors as well as to neglect of Africans in the allocation of government recurrent and development expenditure. The latter in turn can be explained in large part by the powerful political influence of the European settlers on the colonial government in Kenya as well as by the prevailing belief among the officials and other policymakers that rapid economic growth required the concentration of development funds on the existing large scale agriculture and the settlement of new European farmers.

Mau Mau Uprising and its Aftermath: 1954-60.

The pattern of development of the post-war years was dramatically affected by the outbreak of the Mau Mau uprising in 1952 and the declaration of the Emergency which was not lifted until 1960. The causes of the Mau Mau uprising go back to the early decades of the century when large parts of the Kenya highlands was appropriated for European settlement.

The early resentments were aggravated by the pattern of development in the post-war period when further appropriations of land were made to new European settlers and the bulk of the government expenditure went to improve the economic and social well-being of Europeans, while Africans continued to live under a series of social and economic restrictions and with growing landlessness and insecurity. The increasing resentment and frustration flared into an armed uprising which had momentous consequences for the subsequent history of Kenya.

As far as development policies were concerned, the old plan was shelved in 1953 and replaced by a new three and a half year plan covering the period 1954 to mid-1957. The basic assumptions of the development policies continued to be the same as in the earlier period: the need to preserve conditions conducive to private investment, both foreign and local and the concentration on agriculture as the quickest way to increase production and incomes. The onset of the Emergency, however, led to two major changes in the pattern of government expenditure. In the first place, relatively much larger sums of money had to be allocated for defence and security. Secondly, the beginnings of a serious effort were made to attempt the improvement of the economic and social conditions for Africans. The share of expenditure on African education, health, housing and economic services went up; but the most dramatic change occurred in the policy towards African agriculture. As a direct outcome of the Emergency, the Government launched an ambitious plan known as the Swynnerton Plan to bring about sharp increases in the productivity of African agriculture through a carefully co-ordinated programme of land consolidation, registration, extension services, removal of restrictions on African cultivation of certain cash crops, and increased loan facilities. The purpose of this programme was to combat land erosion, to increase the security in the possession of land and to lay the basis for a modern agriculture through growth of cash crops on a mixed farm basis. Similar but much less dramatic improvements were made in the provision for education and other amenities for Africans.

The foregoing changes in development policies are reflected in the allocation of government development expenditure over the period 1954-57:

Share of Development Expenditure: 1954-57

Internal Security and Defence	8.2 per cent
Agriculture, Animal Husbandry and Water	39.8 per cent
Education and Labour	9.2 per cent

The share of expenditure devoted to African agriculture rose to over 15 per cent, while expenditure on African education and housing rose to 5 and 4 per cent of the total development expenditure of £35.5m.

Basically, the same trend is reflected in the 1957-60 Development Plan: concentration on agriculture, and on increasing allocation for African social and economic services. The improvement in security enabled the share of capital expenditure on internal security and defence to be reduced from 9.8 to 6.7 per cent. On the other hand, the share of funds going into agriculture increased from 25 to well over 36 per cent, and within this overall figure, the expenditure on African agriculture rose from 15 to 25 per cent. In terms of total development expenditure, there was a fall from an annual figure of £10m. to about £8m. The overall development strategy remained unchanged: the emphasis on immediately productive projects, the containment of expenditure on social services such as education, health and housing, and stimulation of private sector through appropriate fiscal and non-fiscal policies. The expansion of the economy slowed down from the rate achieved in the early post-war years due to the end of the commodity boom and a marked slow down in the inflow of foreign immigrants and capital. Nevertheless, the economy continued to expand at an annual rate of 5-6 per cent.

The Pre-independence Years: 1960-63

As the fifties drew to a close, the British Government took the major decision to let Kenya advance to full independence under majority rule. This had an immediate effect on the economic progress and prospects of Kenya as also on the basic strategy for development which had been pursued throughout the post-war period. In the first place, the imminence of Independence led to a crisis of confidence on the part of immigrant groups, particularly the European settlers. This resulted in a falling off of investment in agriculture and subsequently in building and construction and in other sectors of the economy. This was accompanied by large outflows of capital and emigration of Europeans, in sharp reversal of the earlier trend in the post-war period. The government was forced to retrench expenditure and institute a series of economy measures. The general rundown of the economy was accentuated by falling export prices and the severe drought which affected production in 1960-61. The outflow of funds forced the banks to apply a credit squeeze.

It was clear that the whole basis of the development strategy had to be re-examined. It has already been shown that throughout the post-war period the implicit assumption of the official policy was that the main thrust of development will continue to be provided by the non-African skills, enterprise and capital. The advance of independence invalidated this assumption. It was, therefore, necessary to develop African skills at all levels to maintain the momentum of the economy. The Government was forced to mount a policy the essential elements of which were to restore confidence among the immigrant communities and external investors while proceeding with maximum speed with Africanisation in strategic sectors of the economy. The two key sectors were civil service and agriculture. Consequently, the main thrusts of policy during this period were crash training programmes to enable Africans to take over high level jobs in the civil service and massive resettlement schemes which involved government purchase of land hitherto farmed by European settlers and the settlement thereon of African farmers. This involved, on the one hand, a massive increase in government expenditure on African education and training at all levels, and on the other, large expenditure on compensation of expatriate civil servants and European farmers whose land was purchased by the Government to settle African farmers. The bulk of the finance for this was provided by the British Government in the form of grants and loans. The development programme drawn up for the period 1960-63 reflected these priorities.

The Independence Years: 1964-72

Kenya became fully independent in December, 1963. In the elections preceding independence, the Kenya African National Union (KANU) won a majority, and thus formed the Government. It has continued to be in power since then, although in the interval, factions within the ruling party split to form their own party, and the other preindependent party, the Kenya African Democratic Union, was dissolved soon after independence and joined the ruling party. Although since independence Kenya has been ruled by the same party, the Government policy has evolved over time in response to new pressures and needs. However, the basic policy on the fundamentals of development has continued unchanged, after the attempt by the radical faction to change the course of the policy had been defeated.

The fundamentals of Kenyan development policy since independence have been laid down in a number of key documents published since 1963. These documents also reflect the changing emphasis within the broad framework of the development policy.

In this connection, the key documents are the manifestos issued by the ruling party, KANU, at the time of the 1963 and 1969 elections; the succession of development plans - 1964-70, 1966-70, 1970-74, - and the major policy paper entitled "African Socialism and its Application to Planning in Kenya" issued in 1965. In addition to these, a number of other specialised reports by local and foreign missions on specific areas of policy have been issued and have had important influence on government policy.

The main objectives of government policy in the post-independence period, reiterated in the above documents, have been:

i) the attainment of high rates of economic growth;

ii) Accelerated Kenyanisation of all sectors of the economy;

iii) Equitable distribution of fruits of growth;

iv) Rapid expansion of employment opportunities.

These objectives have been pursued with varying degrees of vigour and success over the period, and the emphasis placed on them has tended to change with changing circumstances. But they continue to constitute the basic framework within which specific policies have been formulated and implemented.

In the period immediately after independence, the overriding need was to reverse the declines in investment, employment, and government expenditure of the previous three years and to launch the economy on the path of expansion. At the same time, the Government was faced with serious political divisions in the country, which were reflected in the semi-feudal constitution which the ruling party was forced to accept as the price of independence in 1963. Thus a major effort was devoted to achieving national unity and transformation of the constitution to a unitary form of government. While grappling with these problems, the leadership of the country was under an inescapable pressure to bring about swift Africanisation of the key sectors of the economy. Thus a major part of the Government resources were devoted not to growth but to a reconstruction of the economy.

The foregoing circumstances and pressures shaped the Government policy in the early post-independence years. Prior to independence, the country was visited by a World Bank Mission, which produced a comprehensive survey of the Kenya economy and outlined development programme for the three year period, 1963/64 to 1966/67.

This report had a considerable influence on the first Development Plan produced after independence, covering the period 1964-70. It suggested the following priorities for Government policy; maintenance of law and order, the maintenance of efficiency in Government, attainment of fiscal solvency, and the promotion and further development of production in private hands. Coming as it did, at the height of the crisis of confidence among immigrant groups and external investors, it is understandable that the report should seek to emphasise the restoration of confidence in the private sector and restraint of Government expenditure and its allocation to immediately productive projects and activities as the leading priorities for Government policy.

Soon after taking office, the KANU Government set about formulating measures to attain the objectives mentioned earlier. In its manifesto, as well as in the Development Plan, 1964-70, and in the paper on African Socialism, the Government defined its policy towards private enterprise, the main elements of which were: maximum encouragement to private enterprise, both foreign and local, within the framework of rules and controls designed to influence the direction and pattern of development, guarantee of prompt and full compensation for any state purchase of assets, freedom of repatriation of profits and capital for foreign investors, and avoidance of large scale nationalisation. These measures did much to restore confidence of the private sector and the economy resumed its upward trend.

At the same time, the Government pressed ahead with its Africanisation policy. The policies of land purchase initiated in the earlier period and Africanisation of public services were pursued with renewed vigour, so that by 1968, 32,000 families had been settled over one million acres of the old European farms. A further 0.5 million acres were purchased for co-operative and large scale African farmers. In the civil service, too, most of the

administrative, executive and clerical positions had been Kenyanised by 1968, though localisation of professional and technical posts was slow owing to lack of adequate numbers of qualified Kenyans. Expenditure on secondary and higher education and on various training schemes was greatly increased in order to increase the supply of qualified Africans to take over from expatriates. Once satisfactory level of Africanisation had been achieved in agriculture and public services, the Government turned to measures to promote Africanisation in commerce, industry and private services. A series of wide ranging measures were adopted to accelerate Africanisation in the private sector. These included the introduction of a system of work permits under which non-citizens were required to obtain work permits before engaging in certain categories of employment, the trade licensing laws, under which non-citizens were barred from trading in certain areas and in certain commodities, the establishment of parastatal bodies in trade, construction, housing and finance, to assist the Africanisation of trade, industry, construction, transportation etc. The cumulative impact of these policies has been to greatly increase African share and participation in all sectors of the economy, though large scale enterprises in trade, industry, construction, transportation continue to be largely managed and owned by non-Africans.

Despite the measures taken to accelerate Kenyanisation, the momentum of growth was maintained by a resurgence of private capital inflow and the greatly expanded development expenditure undertaken by the public sector. The development expenditure was especially concentrated on roads and education, though increased emphasis was also placed on increasing the productivity of progressive, small scale farmers. At the same time, the government increased its participation in directly productive enterprises through partial or complete purchase of certain existing enterprises and increasingly through participation in new projects with private investors, both local and foreign. All these measures bore fruit in the high rate of economic expansion attained by the country: the gross domestic product increased in real terms by 6 - 6.5 per cent p.a. over this period.

While thus the development strategy was highly successful in promoting growth and Kenyanisation, the same cannot be said about the objectives of equitable income distribution and alleviation of unemployment. With respect to the former, the Government took some limited measures to alter income distribution through fiscal policy and to redistribute benefits through provision of certain public services such as education, health and water supplies. Likewise, some of the Kenyanisation measures such as resettlement schemes, promotion of small scale enterprises in trade, construction and transportation, helped to redistribute income from established large scale enterprises to persons who had hitherto been deprived of such opportunities. But on the whole, the inequalities of income and wealth distribution persisted and indeed intensified as far as income distribution among Kenya citizens is concerned.

Nor was the policy on employment creation notably successful. Despite an impressive increase in total production, the increase in modern sector employment has risen relatively slowly. Additional employment opportunities have been created in the small scale sector - smallholdings, the unorganized sector in rural and urban areas - but the failure of development policy has shown itself in increasing excess demand for modern sector jobs, where wages have continued to increase at a relatively high rate.

In addition to aiming at high rates of economic growth, the Government has relied on a number of other policies, of which two Tripartite Agreements - one in 1964 and the other in 1970 - to create additional employment through Agreement among the Government, the employers and trade unions, have been the most important, to bring about a rapid expansion of employment opportunities. But most of these policies have failed to provide a satisfactory solution of the unemployment problem in Kenya.

CONCLUSION

The development policy pursued by the successive Governments in Kenya over the past two and a half decades reveals a balanced mixture of continuity and changes in response to new pressures and changing economic circumstances. In the early post-war years, the basic premise of the development policy was that major economic advances must depend on continuing influx of foreign enterprise, skills and capital. Consequently, the bulk of the development

funds and most of the Government policies were geared to the development of European agriculture and encouragement of European immigration and inflow of funds. The expenditure of funds on education, health and other social services was controlled very strictly, and the bulk of them went to the European population. The development of African agriculture, education and training were seriously neglected. However, under the pressure of the Mau Mau Emergency and later owing to the approach of independence, increasing resources were devoted to improvement of African agriculture through land consolidation and registration, and to African education and training. Major emphasis continued to be placed on agriculture as the leading sector for generating rapid growth in production and incomes. The role of the Government was regarded as creating favourable conditions for the encouragement of the private sector, the development of economic infrastructure, and the injection of limited amounts of capital to promote private enterprise in risky but desirable activities.

In the years immediately preceding and following independence, the major thrust of Government policy was Africanisation of agriculture and public services. After a short but intense struggle within the ruling party on the role of the public and private sectors in development strategy, the group favouring the earlier policy of maximum encouragement of private enterprise and limited role for the public sector in directly productive activities succeeded in establishing this as the official Government policy. While pursuing a policy of encouraging private investment, the Government intensified its policy of Kenyanisation of agriculture, public services, and subsequently, trade, industry, transport, and construction.

Another departure from earlier policies was the steadily increasing share of development expenditure going into economic and social services such as education, health, roads etc. In the latter part of the sixties, the Government began to play a more active role in development through a rapidly rising development budget and increasing participation in directly productive enterprises.

In the early post-war years, the development policy was shaped by the combination of British colonial ideas and the pressure of the European settler population for a disproportionate share of development expenditure. The specifics of the development policy were influenced by a series of missions appointed to study particular problems such as the Swynnerton Plan for the development of African agriculture, the Troupe Report on large scale farming, the East African Royal Commission and so on.

In the late fifties and early sixties, the policy was dominated by the consideration to bring about a smooth transition to independence and its corollary, accelerated Africanisation in all sectors of the economy. The radical wing of the ruling party attempted in the mid-sixties to change the course of the basic development strategy in the direction of state ownership of large farms, industry and commerce, but this was defeated by the conservative elements within the party with support from the powerful private sector interests, both local and foreign. Thus emphasis on private sector as the main engine of growth in Kenya was carried over from the colonial to the independence era.

2. SCOPE OF POLICIES AND OBJECTIVES

The scope of development objectives and policies in Kenya as reflected in the official plans has become progressively wider in each successive development plan. At the same time, it should be remembered that the full range of the official development policies and objectives are not always revealed in the official plans. Many aspects of Government policy have crucial impact on development but these may not be embodied in the plans for instance the existing body of legislation on land and labour may have far-reaching effect on development and welfare but this may be only imperfectly, if at all, reflected in the "Development Plans". In Kenya, development plans from the early fifties have typically concerned themselves with targets and policies in areas which involve Government expenditure.

This does not mean that there is no Government policy in other social and economic fields where Government outlays are not involved. The implication of this is that a full analysis and evaluation of development policy cannot be based on a study of the "Development Plans" alone, but must draw also on legislation and policy outside the framework of the plan.

This having been said, it should be stated that the official plans have progressively widened their horizon over time to embrace increasing areas of social and economic welfare. Hence a study of the plan documents reveals the changing coverage and priorities of public policy in social and economic matters.

Since the development plans and policies in Kenya have centered on public expenditure, their scope has always exceeded what might be termed as strictly economic matters. Since the inauguration of formal planning in the years after the Second World War, the Government development policy has not only embraced narrowly "economic" areas such as communications, power, agriculture, industry, commerce but also wider social and political matters such as education, housing, community development, health and security. However, as will be shown below, government-policies in these areas have increased in scope and specificity in recent years, especially since 1966. The following pages contain a brief discussion of the evolution of problems and public policies in specific social and economic fields.

HEALTH

Health services in Kenya have been provided by a variety of organisations. The Central Government has had overall responsibility for the formulation of health policy, and has maintained the bigger hospitals. In addition, the local authorities have been responsible for the maintenance of health centres and dispensaries, and of environmental hygiene. The public provision of health services has been supplemented by various communal and mission hospitals, which have been assisted to varying degrees by the Central Government.

Finally, the private practitioner has always played an important part in the health system in Kenya. Since independence, a new element has been introduced in the form of self-help health centres, dispensaries and hospitals throughout the country.

The country has a network of fully equipped and staffed hospitals in all the provinces except for the North East. The leading hospital for teaching and specialised treatment is based in Nairobi and serves the whole country. In addition to this, there are dispensaries in most of the urban areas. The lynchpin of the health system is the string of health centres dotted all over the country which provide basic medical facilities and are usually staffed by trained medical staff, though often lacking a full-qualified doctor. These centres are further served by the medical personnel based at the district headquarters.

The health problems in Kenya have basically been the same as in most poor countries. Before the basic network of medical services was built up, the country was threatened by the outbreak of diseases such as cholera, plague, typhus etc. Many of these diseases have been largely eliminated by the spread of medical services and improvement in environmental hygiene. Nevertheless, a number of diseases such as malaria, tuberculosis, bilharzia etc. continue to be widespread. While the outbreaks of epidemics are steadily being controlled by appropriate organisation, the incidence of personal diseases and ill-health is widespread due to poor living conditions, malnutrition, and lack of adequate hygienic standards. The result of all this is that the demand for medical services has always been greatly in excess of their provision. The problem has been compounded by the rising and high rate of population growth of the past decade - in itself a result of falling infant mortality due to improved health services.

In addition to the incidence of disease and ill-health, malnutrition is quite widespread in the country as a result of poverty and of poor diet.

Apart from the problem of overall inadequacies of health services, there is the problem of large imbalances in their availability in different parts of the country. The largest and best equipped hospitals are located in a few large urban areas, and almost all the private doctors are based in towns, most of them in the four or five leading towns. Apart from urban-rural imbalances, there are major differences between different regions reflecting differential levels of economic development. These imbalances are illustrated by the fact that whereas in 1960, there was a national average of 1 doctor to 10,000 persons, the ratio in the rural areas was 1 to 40,000 - 50,000. Likewise, the ratio of hospital beds per 1,000 of population varied in 1966 from 4.53 in Nairobi to 0.40 in the North Eastern Province.

Another major problem in the field of health the Government has faced consists in the gross inadequacy of local medical and paramedical staff. While considerable progress has been at the lower echelons of medical personnel, the great majority of physicians and specialists continue to be expatriates.

The Government policies and priorities in the field of health have been largely shaped by the nature of the health problems as described above. The main elements of Government policy may be summarized as follows:

i) Emphasis on preventive rather than curative health services;

ii) Ultimate provision of adequate level of free basic services to all citizens.

iii) Removal of disparities of health services in different parts of the country;

iv) Accelerated training of local medical personnel.

Only limited progress has been made in the achievement of these objectives. The overwhelming pressure for curative services has meant that most of the limited resources made available for health services have been preempted by the demands for curative services, with the consequence that the preventive aspect of the health services have been starved of funds. Nevertheless, there has been steady progress in environmental hygiene and the amount and quality of health education has been improving gradually in the schools and in rural areas through health centres.

With respect to (ii), the free provision of basic medical services for all is still a long way off. But in 1965, free outpatient treatment was introduced at all government hospitals and free inpatient treatment for children. Also a compulsory hospital insurance scheme on a contributory basis was introduced for everyone earning £600 and more. Most employees in the public services and in large private enterprises have some sort of medical schemes under which they receive either free or subsidised medical services. But it is people in the rural areas where there are no nearby hospitals or health centres who continue to be deprived of medical attention.

Even less progress has been made in removing disparities of provision of health services in different parts of the country. Part of the reason for this is that the more developed parts of the country have gone ahead faster in establishing dispensaries and health centres on the basis of self-help efforts, and have been more successful in putting pressure on the government to take over these institutions once they have been created. Thus ratios of doctors and hospital beds per 1,000 of the population continue to show wide disparities. In an effort to come to grips with the problem, the Government in 1970 took over the responsibility for health services from local authorities. One of the reasons behind centralisation of health services was to ensure a more equitable distribution as between different parts of the country. Furthermore, the Government is committed to an ambitious programme of a creation of health centres to bring up the standard of medical facilities in the more backward parts of the country. It remains to be seen how successful these measures will be in ensuring a fairer distribution of health services throughout the country.

Greater progress has been made with respect to (iv). The country is reaching self-sufficiency in most echelons of medical personnel below the level of physicians. In order to increase the supply of local doctors, a medical school was set up in 1967 at what is now the University of Nairobi. But the majority of doctors in Kenya continue to be expatriates.

NUTRITION

The Ministry of Health has had a nutrition division for a long time. The importance of nutrition for the health of the population has been repeatedly stressed. In terms of action, the Ministry has carried out various surveys into the dietary adequacy of the food intake of selected groups of the population and some work has also been done on the consequences of malnutrition. Most of this work has been carried out with the assistance of international agencies such as WHO and UNICEF. These surveys have pinpointed the problem of malnutrition among infants over six months of age, the pre-school age children, and adult women. It has been established that a substantial proportion of infants suffer from calory-protein malnutrition, while the pre-school children in addition suffer from Vitamin A deficiencies. Adult women also suffer from these deficiencies.

In order to overcome problems of malnutrition, the Government has launches an education campaign through health centres, community development centres etc. A specialised corps of people are being trained to reach the rural areas in educating them to the needs of an adequate diet. In addition, UNICEF supported programmes have been initiated to provide milk to school children. Further research and survey work is continuing, but only a minor dent has been made in the problem of malnutrition, and its consequences which in Kenya have taken the serious form of kwashiokor (result of malnutrition among children) and goitre.

EDUCATION

In the colonial era, education was provided on a racially segregated basis. Although the long term aim was to provide a full primary education for every child, only very limited progress was made towards it, since funds allocated for education were limited and priority was given to stimulation of directly productive activities. When the independent government came into power, it faced a number of problems in the field of education. In the first place, it had to eliminate the racially segregated nature of educational provision.

Secondly, expenditure on education had to be greatly expanded in order to increase the output of educated and trained local manpower to take over the high and middle level jobs from expatriates. Thirdly, the popular pressures for greatly increased expenditure on education could not be resisted, irrespective of their economic value. Fourthly, in response to these pressures and due to the inability of the Government to meet them fully, there developed a massive self-help movement which resulted in the construction of hundreds of primary and secondary schools. With it also grew the pressure of the Government to take over the operation of these schools.

The independent Government attached the highest priority to the development of education at all levels, but especially at the secondary and college level. It committed itself to the provision of free primary education for every child as a long term policy aim. In the early years of independence, there was consequently a massive increase in Government recurrent and development expenditure on education, especially secondary and higher education. This huge investment in education was vital in meeting the Africanisation policies of the Government as also in providing high level manpower for an expanding economy. The effort was largely directed to increasing the quantity of education rather than in improving its quality or making it relevant to the social and economic needs of the country. One of the consequences of this policy was that soon the output from the secondary

schools greatly exceeded the absorptive capacity of the economy in the form of jobs in the modern sector, which the school-leavers had come to expect. At the same time, various imbalances in educational expansion began to emerge. On the one hand, the surplus of secondary school leavers with arts background, and rapid expansion of educational opportunities in the richer parts of the country. On the other hand, a continuing shortage of technical and professional manpower, and the further lagging behind of the less developed parts of the country. The great upsurge in the output of primary and secondary school leavers also resulted in serious problems of urban unemployment, which has created a major political problem for the Government.

In recent years, serious thought has been given to the relevance of the educational system to the social and economic conditions in the country. There has been a steady introduction of vocational and "practical" subjects in the secondary schools, new technical and vocational schools have been opened, and a recent mission has studied the question of curriculum reform. But the main thrust of Government policy continues to be the quantitative expansion of the conventional system. This is at least in part due to the tremendous pressure from the public for more education, which in turn can be explained by the existing set of opportunities and incentives available to educated persons. While some attempt has been made to relate educational expansion to manpower requirements, this has not been pursued in any consistent or systematic manner.

A distinctive feature of the educational scene in Kenya is the great vigour and innovativeness of the voluntary effort outside the framework of government policies. The massive investment in schools on a self-help basis has already been referred to. Although these new "harambee" schools tended to copy the conventional model, this was a rational response to the objective set of opportunities and incentives in the labour market. Now that disenchantment has set in due to increasing unemployment of school leavers, the voluntary effort is being directed to institutes and colleges of science

and technology, being built on self-help basis through voluntary contributions. Another instance of voluntary effort in the field of education is the creation of a chain of village polytechniques, initially through the effort of the National Christian Council of Kenya, to provide basic training in a wide range of useful skills to primary school leavers. While this private initiative is a sign of the vitality and dynamism of the people, it has on occasion posed serious problems for educational planning in the country.

Housing

In contrast to education, the government role in the field of housing has been a more limited one. During the colonial time, the main responsibility of the government in the field of housing consisted of the need to provide accommodation for civil servants. In the fifties, it established Central Housing Board whose main function was to lend money to local authorities to build houses. It also provided professional assistance to local authorities. But the funds made available through the Board were rather limited. The bulk of the housing continued to be provided on a private basis either through own construction or by the employers.

After independence, the Government faced a number of problems in the field of housing. The normal shortage of housing which is typical of developing countries had been exacerbated by the virtual cessation of new building in the years preceding and following independence. At the same time, the influx of migrants from rural into urban areas had greatly accelerated during these years, with the result that serious overcrowding and shanty towns developed in the major urban centres of Kenya, especially Nairobi and Mombasa. The African population of Nairobi increased at an annual rate of about 10 per cent between 1962 and 1969. Because of the virtual cessation of building of medium and high cost houses between 1960 and 1964, the rents rose sharply, and it became increasingly difficult to find accommodation. The housing in rural areas continued to be of the traditional mud and wattle and thatched roof type.

Faced with these problems, the Government took a series of measures to come to grips with the housing problem. The restoration of confidence in the economy by the private sector resulted in a sharp increase in private investment in housing for middle and high income groups because of the high rates of return in this sector. In order to protect low income tenants against rising rents, it introduced a Rent Control Act which applied to rents below a certain figure. Thirdly, it invited a UN Mission to advise the Government on a long term housing policy. The Mission produced its report in 1965 and made comprehensive recommendations on housing policy. It recognized the serious housing shortage in urban areas and made recommendations on a target for urban housing, primarily directed towards low income groups. It also endorsed the idea of self-help housing in urban areas with the Government assistance taking the form of site and service provision, and technical advice. It further recommended a coordinated and highly developed programme of demonstration in the use of techniques and materials for rural areas.

In response to the recommendations of the Mission, the Government established a National Housing Corporation to step up the building of houses in urban areas. The Corporation undertook the construction of new houses; it also lent money to local authorities to increase their expenditure on housing. It also initiated a few pilot projects based on site and service provision. These measures helped somewhat to alleviate the acute housing shortage, but unfortunately most of the resources were devoted to the construction of houses for middle and upper income persons. The problem of uncontrolled settlements and urban slums continued to become worse. Instead of an imaginative approach to this problem, the Government and the local authorities continued to follow the negative colonial policy of demolition of shanties and illegal squatters. The result has been that the problem of reasonable houses for the working poor in the urban areas has persisted and indeed itensified. At the same time, only minimal resources have been devoted to the improvement of housing in the rural areas. Both the National Housing and the Construction Corporations have also attempted to deal with another problem - the training of local skills and entrepreneurship. This has been done through loans, contracts for building and a variety of training courses. With the upsurge in building from 1965 onwards, the major constraint on new building became the scarcity of skilled manpower, which was reflected in steeply rising prices for buildings. Some progress has been made in this respect, and the rise in building costs has been moderated.

Communications

Planning and policies in the field of communications are complicated by the fact that while some services are run jointly on an East African basis and are thus the responsibility of the East African Community, others come under national responsibilities. Railways, harbours, airways, and posts and telecommunications are common services, owned and operated jointly by Kenya, Uganda and Tanzania under the East African Community, while the development of roads is the responsibility of each country. This has given rise to certain difficulties such as lack of coordination in the development of these services, especially of roads and railways.

The main network of railways linking different parts of Kenya and of East Africa was completed during the colonial period. Since independence, there has been no significant extension of the railway network in Kenya, although modernisation of tracks and wagons has taken place. The main problem with railways has been the competition posed by road transport, especially as the former had to operate under certain regulations which obliged them to charge uneconomic rates on certain categories of freight such as agricultural exports from the Partner States. The subsidy on these exports has had to be covered by higher charges on other categories of freight which has resulted in a steady loss of traffic to road carriers which have enjoyed complete flexibility on the rates they charge. Faced with the situation, the pressure has been brought to bear to impose licensing restrictions on road transportation, which have not always been successful.

The development of harbours and national and international air routes have also been planned by the East African Community Corporations. Although there have been periods of acute congestion at the main harbour at Mombasa, on the whole the steady increase in the capacity of the harbour has kept pace with the rapidly rising volume of traffic. The Mombasa harbour serves not only Kenya, but also the landlocked country of Uganda, and to a limited extent parts of Tanzania, Burundi and Rwanda. The East African Airways which is jointly owned by three countries has a monopoly of internal operations, and it has also steadily extended its overseas operations.

After a virtually uninterrupted record of profitable operations, the airline has run into major financial problems since 1970. The tremendous increase in the tourist traffic since independence has called for major investment in the development of the international airport at Nairobi. The major effort of the Government in the field of communications has been directed at the planning and development of roads. During the colonial period, a good network of roads had been built around the main agricultural areas occupied by European settlers. The international roads linking Kenya with Uganda, Tanzania, and Ethiopia had not been developed to the same extent. One of the success stories of planning in the post-independence period has been massive investment in roads and consequently a huge improvement in the quality of roads. The main thrust of Government policy has been bitumenisation of the main trunk and international roads, the development of specialised roads such as those serving the tourist areas, special crops such as coffee, tea, and sugar-cane, and increased expenditure on secondary feeder roads. The more backward areas have been neglected as also to a lesser extent, the areas where cash crop production has risen rapidly in the recent years. This is at least in part because the responsibility for the secondary and minor roads was vested in the local authorities, which lacked the finances and technical staff to develop them at an adequate rate. Since 1970, the Central Government has taken over the responsibility for the construction and maintenance of these roads.

Security

The Government inherited a strong and efficient police force from the colonial era. The need for an efficient, strong and loyal security force was further increased by the uncertainty preceding independence and the possibility of serious conflicts caused by political divisions within the country. Also soon after independence, the country was threatened by rebellion in the North East Province where a secessionist movement seeking links with Somalia had to be suppressed. For a number of years, the security forces were involved in operations in the North East Province until a settlement was reached with Somalia which led to a cessation of "shifta" attacks.

In the years since independence the Government has modernised the police force, completed a programme of expansion and training of army, and created a small nucleus of air force and naval defence. Although the threat of secession has disappeared and political unity restored, the country is still plagued by thefts and armed robberies which the Government has not succeeded in bringing under control.

Social Welfare Services

Some of the important social services such as education, health and housing have already been dealt with above. Here it is intended to touch on other social welfare services. There is no general unemployment benefit scheme in Kenya, nor are there significant programmes for income transfers to destitute persons. Voluntary agencies including religious bodies have done something to assist the destitute and needy persons, especially in urban areas, but the main form of support is still provided by the extended family system. In addition, there are various specialised voluntary bodies which cater for the needs of specific groups of handicapped persons. In 1965, the Government introduced a National Social Security Scheme which covers most employees in the modern sector of the economy. Under the scheme, the employers and employees make an equal contribution amounting in total to 10 per cent of the monthly wages. The employees are eligible for benefits from this scheme on retirement, death, emigration etc.

Industrial Location

In the pre-independence years, the basic policy of the Government was to encourage industrialisation through private sector with limited assistance from the Government in certain key areas. Since independence, the Government has taken a more active role in industrialisation, including direct participation and loans, the latter especially important for small scale industries. Until the last three to four years, relatively little attention has been paid to deliberately influencing the location of industry, the general policy being to let the location of new industries to be determined by the investors. The consequence of this has been a heavy concentration of industry in the two leading cities of Nairobi and Mombasa, which account for over 60 per cent of all modern manufacturing.

In recent years, the Government has become conscious of the need to secure a wider dispersion of the industry in smaller towns as well as in rural areas. A number of policy measures have been taken to stimulate decentralisation of industrial development, but they have not been sufficiently far-reaching to make much of an impact on industrial location, though it is likely that as a result of them, somewhat greater decentralisation of industry might take place in the future. Among these measures have been the preparation of detailed physical plans for the development of urban centres throughout Kenya, which designate major growth centres, urban centres, market centres and local centres for future development.

The government has also set up industrial estates for small scale industrialists in four towns - Nairobi, Mombasa, Kisumu, and Nakuru. In addition, rural industrial development centres are being set up in four smaller towns to stimulate decentralised industrialisation. But so far, the Government has not used the usual incentives such as provision of sites, water supplies, electricity etc., on a more favourable basis to enterprises willing to locate outside Nairobi or Mombasa, nor has it had recourse to fiscal measures to stimulate dispersal of industry. The Government strategy is that reliance on the measures taken above, in combination with accelerated rural development and emphasis on processing and raw-material based industries will naturally lead to decentralisation of industry. It is possible that these measures might succeed in bringing about a limited amount of decentralisation, though except for raw-material based industries, the great majority of the new larger industrial enterprises are likely to continue to be located in the established industrial centres.

Urbanisation

Except for the coastal cities, urbanisation in Kenya is a fairly recent phenomenon, going back to no more than seventy to eighty years. Towns and cities in Kenya developed largely with the influx of immigrant settlers from Europe and India. In keeping with the general policy during the colonial days, there was segregation by residential areas under which parts of the urban areas were reserved for settlement by the main racial groups - Europeans, Asians and Africans. The responsibility for town planning was shared between the municipal councils and the central government. One

consequence of the colonial urban planning was the generally high standard of lay out of cities, and adequate infrastructure such as water supplies, electricity, sanitation and sewerage facilities. The population of the urban centres was controlled by formal and informal controls over large influx of African migrants from the rural areas. While reasonable standards of amenities were maintained in areas occupied by immigrant groups, in general little attempt was made to cater for the growing African population. One consequence of this was that despite controls on inflows of migrants from rural areas, each major urban centre was characterized by the growth of shanty towns and slums on the outskirts, which were often beyond the jurisdiction of any local authority.

The imminence of independence resulted in a great acceleration in the flow of migrants to urban areas, and especially to Nairobi, the capital city. Despite attempts by the municipal councils to cater for low income groups, the growth in uncontrolled settlements within and on the outskirts of the towns has continued posing a major problem for the local and central government. More often than not, the general response has been an attempt to solve the problem of slums by demolition of temporary structures and eviction of squatters. However, both the squatters and the structures reappear within a matter of days, and the exercise is repeated periodically.

In the last few years, an attempt has been made by the Town Planning Department of the Ministry of Lands and Settlement to carry out physical planning of the whole country with special emphasis on urban settlements. As part of this planning, an inventory has been completed of all infrastructure throughout the country, including the location of administrative, social and commercial development, and this information is compared with population distributions, communications network and other factors. The next phase in the planning process was analysis and projection for each urban area of such factors as population growth and migration, pattern of economic development, and the need for infrastructural facilities.

As a result of this work, the Government has worked out a long term strategy for urban development. All the settlements in the country have been divided into four groups - urban centres, rural centres, market centres and local centres. The projected levels of population and social and economic

amerities for each of the centres have been worked out. Certain areas have been selected as designated growth centres in different parts of the country where commercial and industrial development will be encouraged. Although Nairobi and Mombasa have not yet reached their "optimum" size, the general policy is to moderate the growth of these major urban centres to encourage the more rapid growth of the designated growth centres. The procedures and machinery for the implementation of these physical plans are still in the process of elaboration and will require coordination of the large number of agencies involved in urban development.

Apart from the Town Planning Department in the Central Government Ministry, some municipal councils have some sort of planning bodies. The most advanced of these is the planning department at the Nairobi City Council which has prepared an ambitious physical development plan for Nairobi for the next three decades, with considerable support from the World Bank and the United Nations.

The purpose of the various efforts at urban development planning is to avoid in the future the kind of huge slums and shanty towns which are such a characteristic feature of the leading cities of most developing countries. Although uncontrolled settlements with the accompanying lack of sanitary and other basic facilities exist in the major urban areas of Kenya, they have not assumed serious proportions, and with careful and imaginative planning, may be avoided in the future.

Environmental Issues

The question of pollution which has come to prominence in the developed countries in recent years has not in the past received any serious attention at the policy level in Kenya. However, there are two aspects of this question which have been a matter of public policy for some years. The first relates to the conservation of the flora and fauna of the country. In part because of its enormous tourist significance, the Government has for many years committed itself to the policy of preservation of game reserves where wild animals are protected from hunting, and roam freely in their natural environment. The preservation of game reserves as a national policy was

decided upon during the colonial period, but this policy has been accepted and extended to new areas by the present Government.

Apart from national game parks, the country has also established marine parks on the coast off the Indian Ocean. In addition, concern has been caused by the pollution of lakes and beaches which threaten an important natural heritage and a major source of tourist income. Last year, a specially appointed Commission on Environment and Conservation issued a report which drew attention to the possible dangers of pollution facing the country, and it is likely that this issue will receive greater attention in the next plan and in the government policy.

Population Distribution

The characteristics of the spatial distribution of population in Kenya are now fairly well known as a result of the 1962 and 1969 censuses. The great proportion of Kenya's population is concentrated in a narrow land belt which extends from Kisumu in the North through Highlands to Nairobi, extending east to the coast. Large parts of the Eastern Coast and North Eastern Provinces are dry and semi-desert like with very sparse population. In general, neither in the colonial period nor since independence, has there been a well-thought out government policy on population distribution. During the colonial period, there were, as we have seen, a variety of controls on immigration into the urban areas. But in other parts of the country, the need to recruit labour for plantations and large mixed farms, led to a policy encouraging mobility of labour. Consequently, we find movements of large numbers of persons from one part of the country to another in search of job opportunities.

The two main issues as far as population distribution is concerned are the influx of migrants into urban areas, and in the countryside from areas of high to low density of population. With respect to the first, the Government has attempted through exhortation to encourage a policy of back to the land. But this has not been followed up by specific measures such as the introduction of residence permits or repatriation of unemployed etc., back to the countryside. Meanwhile, the influx into urban areas continues at an unabated rate.

There has also been a steady movement of people from areas of high to low density of population. Although the desirability of such movement cannot be questioned, the Government has refrained from taking any active measures to bring this about. The explanation for this is to be sought in the systems of land tenure and the identification of different tribes with different parts of the country. Thus large scale influx of persons from the densely populated areas of Central and Western Provinces to the sparsely populated Rift Valley Province will pose a dangerous political problem as the tribes living in areas of low density are likely to resist the loss of their land to outsiders. Until these fears can be allayed, and there develops a land market, the Government is likely to tread cautiously in the sensitive areas of encouraging population movement in accordance with the availability of land.

Regional Disparities

As in other developing countries, regional disparities have been a marked feature of the pattern of development in Kenya. These disparities have been the result of differences in the endowment of natural resources, especially of land and rainfall distribution, and of concentration of European settlers in certain parts of the country because of their favourable climate, land and rainfall. Consequently, we find that certain parts of the country - the major urban centres, Central Province, most of Nyanza and Western Province, and parts of Eastern and Coast Province - have been able to attain relatively high level of economic development and of social and economic infrastructure, while the rest of the country has lagged behind seriously. It may be useful here to give a few indices of regional disparities. Nairobi with 5 per cent of the nation's population generates more than half of national output in manufacturing, electricity and commerce, two-fifths in transport and services and two-thirds in construction. Similarly, a few districts in the Central, Coast, Rift Valley, Nyanza and Western Provinces, generate a high proportion of national output and income, while the other districts as well as most of the Eastern and North Eastern Province have a disproportionately small share in total economic activity.

The disparities in the level of economic development are further intensified by differences in the provision of social and economic services. The percentage of total population in primary schools varies from 17-24 in such districts as Machakos, Embu, Nyeri, Muranga and Kiambu, down to less than 8 per cent in Kilifi, Kwale, Tana River, whole of North East, Samburu, and South Nyanza. The percentage of population in secondary schools varies from 23 in Central Province to only 0.2 in North Eastern. The same disparities are revealed by the number of persons per hospital bed and medical personnel in different parts of the country. For example, while Nairobi has 152 and 84 persons per hospital bed and medical personnel, both these ratios are well above 1,000 for Nyanza, Western and North Eastern Province.

In its various policy documents, the Government has committed itself to reduction in inequalities of development and of services in different parts of the country, but so far this objective has not been backed by meaningful policies. The section on urbanisation described the new policies seeking to decentralise urbanisation. In the field of social and economic services, also, some attempts have been made to redress regional imbalances, but their cumulative impact to date has been very limited. Some of the factors which have prevented this are the greater political power of the more developed regions in terms of representation in civil services, parliament and the Cabinet, and more vigorous self-help efforts made by these regions in the fields of education, health and roads. Furthermore, the Government policy of attaching high priority to growth and the provision of public services to areas with a high economic pay-off, has had the effect of intensifying inequalities. At the same time, the dispersed nature of population distribution and the lack of any obvious growth potential in the more backward regions, has made it difficult for the Government to justify large amounts of investment in these areas.

Distribution of Income and Services by Different Groups

Kenya inherited from the colonial era a highly unequal structure of income and wealth distribution. Furthermore, these inequalities coincided largely with racial divisions; the highest incomes accruing to Europeans, followed by Asians, with Africans earning very low incomes. Since independence, with the vigorous pursuit of Africanisation, the number of Africans in the middle and high income categories has risen sharply, but the basic structure of income inequalities has not been substantially modified.

Perhaps the most illuminating way of summarising the pattern of income distribution in Kenya is by certain categories of economic groups as is done in the table below.

Income Distribution by Economic Group and Income Size

Income Bracket p.a.	Economic Group
£1000 and over	Owners of medium to large scale modern non-agricultural enterprises (commerce, industry services), rentiers, large farmers, independant professionals, holders of high level jobs in the modern sector.
£600 - £1000	Middle-level employees in the modern sector. Owners of medium-sized non-agricultural enterprises in the modern sector, worse off large farmers.
£200 - £600	Semi-skilled employees in the modern sector, prosperous small-holders, better off owners of non-agricultural rural enterprises, a small proportion of owners of enterprises in the modern sector.
£120 - £200	Unskilled employees in the modern non-agricultural sector, significant proportion of small-holders, most of the owners of non-agricultural rural enterprises.
£60 - £120	Employees in modern sector agriculture, a small proportion of unskilled employees in the modern sector, better off wage employees and self-employed in the informal urban sector, a small proportion of non-agricultural rural enterprise owners.

Income Bracket	Economic Group
£60 - £20	Employees in small-holdings, employees in rural, non-agricultural enterprises, a significant proportion of employees and self-employed in informal urban sector, sizeable number of small-holders.
£20 and less	Small-holders, pastoralists in semi-arid and arid zones, unemployed and landless in both rural and urban areas.

The categories of economic groups distinguished above are not, of course, mutually exclusive: smallholders may take up jobs in urban or rural areas, and leave the management of farms to their wives or relatives persons deriving part of their income through shares in industry or from urban property may also be holding high-level jobs, and so on. Nevertheless, it seems useful to analyse income distribution in terms of these categories.

The table shows a spectrum of income levels, which range from £20 p.a. or less at the bottom for a significant number of smallholders, pastoralists, unemployed and landless in both rural and urban areas, all the way to a small group of high income persons with incomes above £1,000 p.a., comprising owners of large and medium scale non-agricultural enterprises, large farmers, rentiers, independent professionals, and holders of high level jobs in the modern sector. Persons with incomes between £200 to £600 may be labelled the middle income groups: this group would include a significant proportion of the employees in the non-agricultural formal sector, a sizeable number of smallholders, and a small proportion of owners of small, non-agricultural enterprises - the informal sector - in both the rural and urban areas. Finally, there is, the low income group - persons earning less than £120 p.a. - some of whom are in real poverty. This group includes the majority of households in the country. All unskilled employees in the modern agricultural sector, all employees in smallholdings, and the informal rural and urban, sectors, non-agricultural enterprises, the lowest paid one fourth employees in the urban formal sector, most of the self-employed in the urban informal sector, and the majority of smallholders and pastoralists in semi-arid and arid zones, would fall in this group.

Although the share of income going to different income groups has not been estimated, some preliminary work indicates a high degree of income concentration in both urban and rural areas. These estimates show that the top 10 and 20 per cent of households in urban areas account for 35 and 55 per cent of urban household income respectively, while the bottom 25 per cent receive a mere 6 per cent of the total income. Data on land distribution in rural areas indicate a similar degree of income concentration in rural areas.

As far as self-employed persons are concerned, the main cause of income inequalities is the tremendous disparities in the ownership of productive assets such as land and capital. The better off farmers, businessmen, property holders etc. have further benefited from easier access to credit, to various types of licenses, protection against imports, and the concentration of extension and training services on progressive farmers. In the field of wage employment, the high salaries earned by skilled persons is a reflection of the scarcity of such persons and the fact that such jobs in the past were held by expatriates whose salaries were geared to those obtainable in Europe. The unskilled and semi-skilled employees in the modern, urban sector, have been able to increase their wages by 6-8 per cent per annum in the sixties, through trade union activity, the legal minimum wages established by the Government, and by the willingness of the employers to concede wage increases in turn facilitated by the capital intensity of their operations and protection against imports. As a result of this, a considerable wage gap has emerged between the wages of employees in the formal, urban sector, and the earnings of unskilled persons in the rural areas and in the informal urban sector.

Greater equality in income distribution has been one of the most important declared objective of the independent Government in Kenya. This objective has been pursued through Kenyanisation, fiscal and public expenditure policies and incomes policy. The major contribution of Kenyanisation in reducing income inequalities was through land resettlement. In other areas, as has already been pointed out, Kenyanisation merely resulted in the replacement of foreigners by citizens but with essentially the same income structures.

Since independence, a number of changes in direct and indirect taxes have been made to increase their progressivity. These have included the reduction of single and marriage allowances for purposes of income tax, increase in tax rates, and imposition of taxes on distributed dividends, as well as increases in import and excise taxes on a wide range of products consumed by the better off persons. These fiscal changes have gone some way in modifying pre-tax income distribution, but to date their overall impact in redistributing income has not been very significant.

No study has so far been undertaken on the incidence of benefits of Government expenditure and thus on its redistributive impact. On the basis of the limited evidence available, it does not seem that public expenditure has a major effect on redistributing income in favour of the poorer people. The lion's share of public expenditure continues to go to urban areas. The really backward areas of the country get a very low share of Government expenditure on social and economic services such as education, health, roads, extension and training. Furthermore, both in rural and urban areas, it appears that the better off tend to derive more benefit from public services: progressive farmers get the main benefit from extension services, loans, subsidies on inputs etc. High income employees get superior medical services and access to better education and so on. On the other hand, the poor urban areas which contain most of the poor urban people and where the urban informal sector is centered, have services of a low standard.

On the other hand, a massive expansion of public expenditure since independence on social and economic services such as health, roads, education etc., has brought these services within the reach of a much larger number of people than was the case in the past. But in view of the magnitude of the total public expenditure, it is clear that if deliberately applied to redistribute welfare, it could be an immensely potent instrument of redistributing incomes and welfare.

In addition to these measures, the Government has for some years proposed an incomes policy to reduce differentials between high and low income recipients, especially in respect of rural and urban dwellers, and to stimulate a more rapid expansion of employment opportunities in the formal sector. But so far, this policy has not been implemented. More will be said on this in the following section on employment policy.

Employment Policy

Concern with the mounting problem of urban unemployment and the need to accelerate employment opportunities has been a central concern of Government policy since independence. The problem of unemployment and poverty has been exacerbated by a number of factors. Despite a rapid rate of economic growth, employment in the formal sector has expanded at a relatively low rate of around 3 per cent. Furthermore, the influx of migrants, particularly school-leavers from rural to urban areas, has intensified urban unemployment. Another contributory factor has been the high and accelerating rate of population growth, which today amounts to 3.3 per cent per annum.

The Government has taken a number of measures to alleviate the severity of the unemployment problem. The whole array of Kenyanisation policies has been justified, at least in part, owing to their employment creating effect as far as Kenyans are concerned. But it seems clear that apart from the land settlement schemes which created employment opportunities for more than 35,000 families, Kenyanisation measures in other fields have created a limited amount of net employment. Among its other policies have been the two Tripartite Agreements of 1964 and 1970 under which private employers and the Government took on 15 and 10 per cent additional employees in return for wage freeze accepted by the trade unions for the duration of these Agreements. It is now clear that while these Agreements were successful in creating additional employment in the short run, they have had a negligible effect on boosting long term increase in employment. This is because to some extent the additional workers taken on under these schemes replaced new workers that would have been employed to fill vacancies arising from normal turnover and from expansion in economic activity.

The failure of employment opportunities to expand at the desired rate has led the Government to formulate new policies to deal with the problem. The most important of these have included incomes policy, emphasis on rural development and population control. In the last Development Plan, the Government spelled out in some detail the specifics of its incomes policy, the main elements of which were: the enlargement of the powers of the Industrial Court to approve all wage agreements in the private sector, and to make awards in the case of disputes brought before the Court in the light of guidelines provided by the Government. The Government also undertook to bring public sector salaries under greater control to reduce differentials between high and low income earners and to exercise greater restraint in overall increases in the earnings of civil servants. The proposals also included a more effective control of prices, both directly and through regulation of import restrictions.

Although the Government has passed legislation investing the Industrial Court with additional powers, it has not been issued with specific guidelines and thus the legislation enabling it to make awards and approve private collective agreements in accordance with these guidelines has been inoperative. Meanwhile the determination of wages in both the public and private sectors continues to operate on the old basis. The machinery for price control has also been strengthened following the devaluation of the Kenya £ along with the dollar, but it is not clear to what extent the price policy being pursued is consistent with the incomes policy objectives of equity, stability in the cost of living and expansion of employment. Thus the overall conclusion with respect to a comprehensive incomes policy in Kenya must be that while its main principles have been clearly stated and appear to be in the right direction, the implementation has lagged behind. Often decisions in the fields of wages and prices have been taken in direct conflict with the declared objectives of national policy.

The emphasis on rural development is designed to assist with the solution of the unemployment problem by increasing incomes and employment in the rural areas and thus stemming the flow of migrants to the urban areas. The past emphasis in planning was heavily biased in favour of the urban areas. This is being corrected to some extent by greater emphasis on expenditure on rural roads, water supplies and electrification. Also greater stress is being laid on rural industrialisation, and a start has been made towards planning

for integrated and accelerated rural development on a local basis. The full impact of these measures in shifting public expenditure in favour of rural areas and accelerating rural development will take time. But if the declared policies are pursued vigorously, they should have a highly favourable effect on equity in income distribution and amelioration of the unemployment problem.

The last plank in the Government policy to deal with the unemployment problem is its population policy which is discussed below.

Population Policy

Kenya was the first country in Black Africa to commit itself officially to the pursuit of a population policy. Voluntary agencies in the field of family planning have been active since early 1950s. but it was only in 1966 following the report of an advisory mission on population policy that the Government officially committed itself to "pursue vigorous policies to reduce the rate of population growth through voluntary means". The main principles guiding Kenya's population policy are: the integration of the family planning programme with the maternal and child health services; the voluntary nature of the programme and heavy reliance on voluntary agencies.

In accordance with this programme, the number of family planning clinics and facilities have been greatly expanded in the last few years with considerable foreign help as part of the services provided by hospitals and health centres. The total visits paid to these clinics have increased from 9,397 in 1967 to 179,756 in 1971. But so far the family planning programme is not considered to have made any impact on fertility rates. It is confined to a large extent to urban areas, though it is now spreading rapidly to rural areas. The major bottlenecks to further expansion lie in shortage of trained staff at all levels. Most of the staff currently associated with family planning services are expatriats. Thus in order to reach a wider number of people as well as for its greater effectiveness, it is necessary to step up training efforts. At the same time, the local contribution towards the costs of family planning services needs to be raised from its very low present levels. On the other hand, unlike many other African countries, there is strong support for these programmes at various leadership levels.

3. PARTICIPATION IN POLICY MAKING

Participation of non-Governmental groups and individuals in development policy making through representation on official bodies is rather limited. However, such groups and individuals exercise considerable influence on policy through a variety of informal channels which will be described below.

At the formal level, some attempts have been made in the past to involve organizations and individuals outside the Government machinery in the formulation of the development plan. In 1965, for instance, a Social and Economic Advisory Planning Board was set up with membership consisting of representatives of commerce, industry, trade unions, employers, as well as prominent and expert individuals. The Board was, however, short-lived and achieved very little. Again in 1968, it was decided to set up Provincial and District Development Advisory Committees throughout the country, consisting of Central Government and Local Government officials as well as political leaders and notables from the areas concerned. Their stated purpose was to advise the Provincial and District Development Committees (which will be described in the section on planning) in the formulation and implementation of development projects at the local level; but from the outset nobody took them seriously, and they are practically moribund now. Unlike many other countries, Kenya has not relied to any significant extent on working parties consisting of Government officials and outside bodies and individuals in the drawing up of the development plan.

While thus the non-government elements have played an insignificant role in the formulation, implementation and review of development plans, there are a number of advisory bodies concerned with specific aspects of policy where they have been represented and have exercised varying degrees of influence on the Government policy. Examples of this are the Tripartite Committee in the Ministry of Labour where representatives of workers and employers sit with government officials to consider matters relating to labour policy; the Price Control Advisory Committee, in the Ministry of Finance and Planning, with membership drawn from industry, labour, consumers, and individual experts to advise the Minister whether requests for price increases should be permitted in specific cases. There are examples of such advisory bodies in other fields such as tourism, social services, adult

education etc. Through their representation on these bodies, special interest groups and individuals with expertise can present their views on specific aspects of social and economic policy.

In addition there are a variety of other channels through which non-Government views on developmental matters may be expressed and may have varying degrees of influence on Government policy. Foremost among these is the Parliament of Kenya which has a tradition of lively and vigorous debate. Members of Parliament seek to influence Government policy through parliamentary debates, especially those following the presentation of the financial and expenditure estimates by the Minister of Finance and Planning, and the presentation of Government policy documents, often in the form of decisions on reports and commissions prepared by outside bodies including international and bilateral aid agencies, on major aspects of Government policy. Examples of such reports are the Kenya Government Sessional Paper on African Socialism and its Application to Planning in Kenya, the Development Plans, the Report of the Commission on Public Service Structure and Remuneration, and the currently awaited Report of the ILO-UNDP Mission on Employment in Kenya. The members of Parliament may themselves pass resolutions setting up Select Committees to investigate various aspects of public policy. Recent examples of this are the Report of the Parliamentary Select Committee on Unemployment in Kenya, and the Select Committee on Corruption, Nepotism and Tribalism, which has not yet submitted its report.

It is difficult to generalise on the extent to which the views of Members of Parliament expressed in all these different ways influence and determine the Government policy. Although to all intents and purposes Kenya is a one party state, the ruling party is far from a disciplined, monolithic force. It would be more appropriate to describe it as a loose coalition of different groups and individuals representing a wide spectrum of views on development policies and lacking a strong organisational base. Under the circumstances, it is necessary for the Government to carry the majority of Members of Parliament on major issues of policy. Thus the views expressed in Parliament by backbenchers always carry some weight in the official development policy, but at the same time, the executive is powerful enough to ignore backbenchers where the latter are at variance on aspects of policy where the Government is determined to have its way.

In addition to Members of Parliament, organised pressure groups are able to exert influence on development policy in a number of ways. Unlike most other African countries, Kenya has an extensive network of professional and sectional bodies, which are well-organised, articulate and influential in making their views felt to the Government. Many of these bodies originated in the colonial period to cater for the interests of the European settlers and businessmen, but they have been carried over in the post-independence phase and now represent the interests of the old members as well as of the growing numbers of Africans who entered their ranks. Examples of this are the Kenya Federation of Employers, Chambers of Commerce, Association of Manufacturers, Kenya Farmers Association, as well as a host of professional bodies. In addition, there is the Central Organisation of Trade Unions to represent the interests of organised workers. These bodies exercise varying degrees of influence on Government policy and through a diversity of channels. They make periodic representations to Government on matters affecting them, especially when new legislation is planned. In addition, the Government may itself consult with them formally or informally concerning operation of the current policy or when changes in policy are envisaged. There are many other ways through which such bodies and individuals may bring influence or pressure to bear on the Government on matters affecting their interests. Particularly powerful among these bodies is the Kenya Farmers Association which has been able successfully to influence Government policy on such matters as favourable prices for agricultural products and subsidy on agricultural inputs.

Another source of influence on Government policy have been the private welfare organisations and voluntary, self-help bodies. As for the former, a number of private organisations have concerned themselves with development and welfare work. The most important of them is the National Christian Council of Kenya which has pioneered most imaginative approaches to development problems. Among its initiatives have been an influential study on school-leavers, introduction of village polytechniques, developmental work in remote and backward areas of the country as well as with the urban squatters and shanty dwellers. In some instances it has been able to persuade the Government to assist its programmes and in others such as the village polytechniques, the Government has picked up and greatly expanded the projects initiated by the NCCK.

The massive self-help movement in the construction of schools, dispensaries and other communal facilities has already been commented upon. Although self-help efforts in various fields grew up outside the framework of the national plan and development policies, their emergence has had considerable impact on Government policy. In the first place, the Government has been forced to devote resources to the maintenance and operation of the facilities created by self-help efforts. Secondly, these efforts have been important as expressions of the priorities in development felt by the people at the grass-roots level. Several of the Government's programmes in the field of rural water supplies, rural roads and health facilities, bear the imprint of the impact of self-help initiatives.

On the other hand, there are a number of groups which have played a crucial role in the formulation and implementation of development strategy and policy in other countries but which have been relatively ineffective in the Kenyan context. The dominent party in most countries exercises an important influence on policy through a well-articulated ideology and through its impact on the leaders forming the Government. In Kenya, as has already been remarked, the ruling party, KANU, has been weak organisationally and in terms of a coherent strategy. There have been no annual meetings of the ruling party since 1966; its organisation at the constitutency level has been weak; and there have been divisions and rivalries within its ranks at all levels. It has thus failed to exercise much influence on the strategy and directions of development policy in Kenya.

Another group of people who play an important role in shaping public opinion and offering critique of the Government policies are independent commentators associated with newspapers, radio and television, journals, universities and research institutes. In Kenya, this expertise is completely lacking outside the University. Most journalists and radio and television commentators are quite incapable of comprehending the complexities of economic issues and of offering constructive criticisms, let alone formulating viable alternative policies. The University has the necessary expertise but apart from the important and high quality work done at the Institute for Development Studies on major issues of development policy, the rest of the University

has had relatively little impact on our knowledge and understanding of the main issues in development.

Likewise, there have been other "marginal groups" in society which have failed to participate in or have much impact on Government development policy. Although there are a number of organisations representing women's interests, there are many areas of policy such as divorce, inheritance, maintenance of children, as well as employment and division of labour in the rural areas, which continue to be biased against the interests of women. Despite the existence of women's organisations, only limited progress has been made in securing justice and equality of rights in many areas of crucial importance for them.

Other marginal groups which have been left out of the progress and development since independence are the urban poor - the squatters, inhabitants of slums - the subsistence farmers, and the residents of backward and remote areas. They lack organised bodies to articulate their interests and grievances, have only limited contacts with influential officials and politicians responsible for policy-making, and in some cases at least, are ignorant of the potentialities for development and improvement of welfare through allocation of resources in their favour.

Among these marginal groups, however, the urban unemployed and especially the school-leavers who have moved into urban areas in search of jobs, have had considerable influence on Government policy. Although their grievances and problems are not articulated in any systematic way through any organisation, their pressure and influence on those in power and their presence in large numbers with its threat of instability, and anti-social activities, have ensured for them considerable weight in Government policy. An evidence of this is the widespread concern with urban unemployment and its manifestation in the two Tripartite Agreements negotiated in 1964 and 1970.

The question of the attitude towards and perception of development problems of different social and economic groups is more difficult to discuss in the Kenyan context. All significant groups in the country, whether social, political or economic, are committed strongly to a policy of accelerated economic progress and rise in living standards. Currently, there are no significant groups of persons who are openly opposed to the major thrusts of Government's development policy. In the historical section, it was indicated that the radical group within KANU which favoured a different land policy and greater nationalisation of large scale enterprises has steadily lost in influence and since the banning of the opposition party, the Kenya People's Union, it has lost its organisational base. Undoubtedly, there are groups of people in different walks of life which are critical of various aspects of Government's development policy but they are largely ineffective in terms of either presenting a coherent alternative strategy or in terms of mobilising support against the Government policies. Thus whatever opposition exists to the main directions of Government's development policy remains silent and latent.

It is even more difficult to say how the various groups of people perceive development problems. The questions of development objectives and policies are discussed only among a small band of professional planners and economists. In the country, by and large, there is very little public discussion of these issues and it is doubtful whether many persons have given much thought to the larger issues of development policies except in so far as these affect their immediate economic interests.

4. PLANNING

In this section, it is intended to discuss the general characteristics and methodology of planning. The discussion is organised under the following heads: general characteristics of planning, levels of planning, methodology of planning and machinery of planning.

General Characteristics of Planning

As has been mentioned, planning in Kenya goes back to the early post-war years. Between 1946 and 1964, a total of five plans were published. Although they differed in technical competence and sometimes in development strategy, these plans shared some common characteristics. In the first place, they did not specify the overall objectives of the plan except for some very general statements to the effect that the plans are intended to accelerate social and economic advance. Secondly, they were not drawn up on the basis of any comprehensive analysis of the constraints and potential of development in the country. Thirdly, they were confined for the most part to the capital expenditure of the Central Government and to some extent of local authorities. Except for the first post-war plan, they were drawn up for a three year period. The amount of development expenditure was limited to what could reasonably be expected to be forthcoming from internal and external borrowing and from outside grants, for the most part from U.K. The development estimates were classified by the main spending ministries and were based on the main projects likely to be undertaken by these ministries. The latter were based on broad judgements about development priorities but were not supported by any detailed analysis of costs and benefits. The scope of the plan was confined to fields in which the Central Government ministries were active such as agriculture, education, health and roads. But even in these sectors, the overall strategy and policy was not fully elaborated. The emphasis was on the description and listing of the main projects to be undertaken from the development estimates.

The first post-independence plan, covering the period 1964-69, was prepared in great hurry and although comprehensive in conception, it was in actual practice not much different from the colonial plans in substance. However, since 1964 there has been a progressive build-up of the planning capability in the Government and the subsequent plans published in 1966 and 1970 represented a major advance over the earlier ones in several respects. In the first place, the overall objectives of the plan were specified in some detail. Secondly, the plans were comprehensive in the sense that they contained full statements of Government policy on the entire range of social and economic issues. They were also comprehensive in the sense of laying down targets and elaborating policy instruments for the private sector of the economy. The main focus, however, continued as in the earlier plans, on the drawing up of development expenditure estimates for the Central Government ministries and the local authorities.

Levels of Planning

It has been customary in Kenya to have a single plan for the whole country. The national plans in the past incorporated to varying degrees the capital expenditure of the local authorities. But since 1966, the national plans have contained the development estimates of the municipalities and county councils. Nor are there separate ministerial plans, as distinct from the national plan. Currently, attempts are being made to move towards a system of district level plans which will be co-ordinated with the national plans. This aspect of planning is dealt with in a subsequent section.

In an effort to accelerate rural development, in 1969 the Government initiated a Special Rural Development Programme, whose purpose was to bring about dramatic increases in production and employment in selected areas on the basis of an integrated and co-ordinated plan for the area. It was hoped to replicate to other parts of the country the successful elements of the plan. In pursuance of this objective, area based plans were prepared for five divisions in different districts in various parts of the country. These plans were in addition to the national plan, though the latter contained a general discussion of the purposes and objectives of SRDP plans. Some of the projects included in these area plans had already been included in the national plan, but others reflected new initiatives.

Planning for certain activities is carried out on an East African basis. The main activities are railways and harbours, airways, posts and telecommunications, metereology and civil aviation, and a wide range of research covering agriculture, livestock, diseases and natural resources. The plans for these services are drawn up by the Corporations and the East African Community Secretariat. They, however, are approved by the Partner States through the relevant Councils which contain ministerial representatives from the three East African countries. Thus planning for these services is carried out in close consultation with the Kenya Government and their plans are integrated into the national development plan, as a component of total public expenditure.

METHODOLOGY OF PLANNING

The Development Plan 1966-70, and 1970-74 were for the first time drawn up within the framework of a comprehensive analysis of the entire economy. The procedure followed was roughly as follows: an initial aggregative model of the economy was prepared on the basis of a certain planned rate of growth. The latter was based on the past performance and allowed for some acceleration in the growth rate. The next step was to project various sectoral growth rates. This again was based on past performance modified by new knowledge of the possibilities of growth in different sectors as well as by broad policy objectives such as accelerated rural development. The feasibility of the overall as well as the sectoral growth rates was tested by some very crude estimates of the capital requirements, projections of various items in the balance of payments, and of domestic savings. From a crude exercise of this nature which was not carried out on the basis of any sort of rigorous model such as input - output table or any other quantitative model, estimates were made of savings and foreign exchange gap. The various operating ministries were then instructed to draw up sectoral plans on the basis of certain figures of output and rates of growth. This exercise was carried out in consultation with the officers of the then Ministry of Economic Planning and Development. The sectoral programmes differed a great deal in terms of objectives, targets of output and elaboration of policy instruments. These were then reworked by the planners in consultation with the operating ministries and attempts were made to reconcile them to the overall strategy and objectives. Thus although in the end some sort of consistency was achieved in the overall strategy of development and the main objectives with the sectoral programmes, there was a great deal of variation in this respect from one sector to another. In some sectors, such as agriculture and tourism, there were detailed projections of physical targets, investment requirements etc., in others most of these details were left out such as in the non-road component of construction.

The amount of work done on the individual projects and programmes also varies a good deal. Some of the really large projects are subjected to a great deal of analysis, sometimes extending over several years, while others may be proceeded without any sort of serious analysis. In order to improve the project content of the plan, the Government set up a special Project Analysis Unit with the help of the Canadian Government. Members of the Unit work in the Ministry of Finance and Planning but may be seconded to operating ministries. The main work of the Unit has consisted in the preparation of a Project Registry which is meant to centralise information on the status of all ongoing projects. The Registry provides information on the main characteristics of the project such as the amount of the financial expenditure, the physical inputs required and the progress in implementation. In addition, the members of the team also prepared a manual on projects which, however, has proved impracticable and has not been used in providing guidance for project preparation. However, some attempts are now being made to prepare a simple form which will contain information on physical inputs, expected outputs, schedule of implementation etc., which will enable comparisons to be made between projects within and across different ministries. Up till now no standardised procedures have been used to appraise projects from different ministries and hence in the ordering of priorities and in project selection for the plan.

The project approach is of course especially difficult to apply to the evaluation of social and economic services. Their expansion is determined in large measure through a combination of judgements about the effectiveness of such services in raising productivity and the political pressures exerted by various groups and the power of the respective ministries. Social and economic objectives and policies form an integral part of the development planning. Some of them derive from the ultimate objectives of development itself, others are derived from the need to execute other parts of the plan e.g. education, extension etc. But no elaborate methodology is used in determining the composition and rate of expansion of these services and in relating them to other components of the plan.

Machinery of Planning

In the early post-war years, a separate agency was created for the formulation and execution of development programmes. But from the mid-fifties until 1964, the formulation of the development plan and review of its implementation was assigned to the planning division within the Treasury. In 1964, a separate Ministry of Planning and Economic Development was created, which continued until 1970 when it was fused once again with the Ministry of Finance.

At the apex of the planning structure is the Cabinet, the supreme policy making organ in the country. Most of the matters relating to development planning are first referred to a sub-committee of the Cabinet consisting of the main economic ministers. However, all major development policy decisions are of course taken by the Cabinet. The preparation of the draft development plan is the responsibility of the planning division of the Ministry of Finance and Planning, in conjunction with the operating ministries. The planning division is sub-divided into a number of units each responsible for the main areas of economic and social policy. In addition to the planning capability within the Ministry of Finance and Planning, there are planning units of varying strengths in most of the economic ministries such as Agriculture, Health, Education, Housing, Tourism, Commerce and Industry, and Social Services and Co-operatives.

Outside the Central Government, there are Provincial and District Development Committees consisting of the principal administrative and professional staff of the Central Government and the local authorities. The purpose of these committees is to propose development projects for inclusion in the plan, to co-ordinate the projects initiated by different ministries and local authorities, and to review their implementation. The link between the development machinery at the local and at the central level is provided by the Provincial Planning Officers. They are appointed by the Ministry of Finance and Planning and their function is to co-ordinate the formulation and implementation of development projects at the local level. They act as general economic advisors at the Provincial and District level. In addition, they serve as secretaries to the district and provincial development committees. They are expected to report periodically to the Ministry of Finance and Planning

on the progress of development projects in their areas. The Government has recently announced its intention of strengthening the local planning capability by appointing district development officers who would work under and assist the Provincial Planning Officers.

The above paragraphs have given a sketch of the planning machinery in Kenya. How does the system work in actual practice? At independence, Kenya inherited an administrative system which was imperfectly suited to the needs of accelerated development through integrated planning. Over the years, the system has been gradually adapting itself to the needs of development planning and implementation, and in the last two years or so, there has been a significant increase in the capacity of the administration to handle the volume of development activities. At the same time experience gained over these years has revealed a number of weaknesses in the governmental machinery to pursue development activities in an efficient and coordinated manner. In what follows, attention is drawn to the most important of these.

The first concerns the relationship between development planning and execution at the centre and in the field. The current position is that the Central Government operational ministries have professional field staff who carry out the projects. At the same time the routine administration is left to the Provincial Commissioner and his staff who are the President's representatives at the local level. Much of their time is spent on matters of law and order and other routine administrative duties. Since they are supposed to be performing a co-ordinating role at the local level, the co-ordination of development projects and policies has suffered as a consequence. Most professional officers look to their superiors at the centre in the relevant ministry for guidance and instructions. The result of this system is that there are no agencies or individuals at the local level whose function is to view development as a whole at the local level. This deficiency was meant to be remedied by the appointment of Provincial Planning Officers and the creation of Provincial and District Development Committees. But for a variety of reasons, including the scarcity of qualified persons to fill the posts and lack of clarity about the powers and functions of the Committees, these innovations have thus far not been successful in improving co-ordination of development policies and projects at the local level.

A related difficulty is the high level of centralisation on decision-making that is characteristic of the administrative system in Kenya. Often the local officers of the Central Government Ministries work under severely limited powers and most issues must be referred to the centre for decision. Apart from stifling initiative and encouraging an attitude of extreme caution, this results in unnecessary delays and frustrations. The extreme concentration of power at the highest level of decision-making also characterises operations at the centre, once again with adverse effects on efficiency and speed of execution of development activities and on innovativeness and initiative by Government officials.

Another weakness of the current system is the difficulties experienced in carrying out development programmes which cut across ministerial boundaries. Although some co-ordinating mechanisms exist such as the meetings of the Permanent Secretaries, it has been found that multi-sectoral programmes run into big delays and difficulties over inter-ministerial rivalries and fear of loss of sovereignty in their own fields. A good example of this is the delays experienced in the launching of the development projects under the Special Rural Development Programme, which involved programmes in selected local areas cutting across the ministerial boundaries, requiring a unified approach at the local level. It was found necessary to create a special Secretariat at the centre, under the overall supervision of a special Committee of the relevant permanent secretaries to overcome this problem.

Another weakness in the system has been the differential rates of conversion of different ministries to development objectives and policies. While the national development plan is meant to be a reflection of the development priorities and policies of the Government, the actual policies pursued by individual ministries may diverge in varying degrees from the declared policies. For instance, the Ministry of Housing may still continue to engage in construction of houses for high and middle level income when the plan clearly states the contrary; or the Ministry of Works continues to devote majority of resources to the construction of trunk and secondary roads, while the plan may stress rural and feeder roads. Examples of this nature could be multiplied from many sources. Although many factors are responsible for this

divergence between the stated and actual policies, an important reason is that the new ideas of planned development and its objectives have not penetrated certain ministries and officials and all too often they continue to carry operations in the traditional manner.

A major weakness of the planning machinery in Kenya is the lack of a well-developed system of evaluation of plan progress. The existing procedures such as the submission of quarterly reports from the operating ministries, or the general financial check carried out by the Treasury are inadequate as a basis for evaluation of plan progress. What is needed is a wide ranging probe into plan performance on the basis of regular reports from all operating organisations. These reports could then form the basis for a thorough analysis of the achievements and failures of the planning effort, the identification of lagging sectors and critical constraints, and proposals for remedial action. There is currently no mechanism for a regular critical review of the performance of different ministries and sectors.

5. IMPLEMENTATION

In the fifties and early sixties, the size of the development effort as represented in the annual development estimates was relatively modest. But the colonial plans had the virtue that they were taken seriously in the sense that they were used as the basis for the drawing up of the development expenditure estimates. Further, the colonial record in implementation of the development projects was satisfactory.

After independence, the Government set itself more ambitious and wide ranging objectives. This was reflected in greatly enlarged volume of development activity on the part of the Government. At the same time as the objectives, volume and range of planned development became more ambitious, the capacity of the Government to carry it out suffered a serious if temporary decline owing to the departure of many senior experienced expatriate officers and their replacement by younger Africans with very limited experience of working in the civil service. Furthermore, the number of vacancies in the professional and technical posts rose to alarming levels. Under the

circumstances, it is not surprising that for the first five years after independence, the overall development effort mounted by the Government fell consistently short of the annual development estimates and the plan projections. The ratio of shortfalls to final approved estimates rose from 20 per cent in 1964/65, the first year of the Development Plan, 1964-70, to nearly 25 per cent in the following three years. There has been a marked improvement in the capacity of the Government to undertake development activities. This acceleration is illustrated by the rise in public development expenditure by 50% and 30% in 1970/71, and 1971/72 respectively.

In the early post-war years, although delays in foreign aid negotiations and in budgetary appropriations were in part responsible for the shortfall in expenditure, lack of financial resources was not the main constraint. The operative constraints over the period were the lack of adequate administrative and executive capability to design and implement projects and the limited capacity of the construction industry. An analysis of the shortfall in expenditure over this period revealed that of the 60 per cent of under-expenditure which could be explained by specific reasons, nearly 30 per cent was attributable to inadequacies of administrative and executive capability, while another 22 per cent was accounted for by delays in construction and delivery of equipment, which to some extent are themselves a reflection of scarcity of managerial and technical skills.

There has been a dramatic improvement in this respect since 1970/71. The overall size of the development expenditure is in line with or in excess of the projected expenditure. The real constraint on further accelerated development has become the availability of foreign assistance and foreign exchange.

In spite of the earlier shortcomings in the administrative and executive capability of the public sector, the overall performance of the economy was remarkably close to the plan projections, thanks to a dynamic private sector. While in some cases, individual sectors lagged behind the plan projections, as in agriculture and health, others such as construction, communications and services especially education and tourism expanded at a faster rate, with the result that the aggregate targets of growth in total production were met without too much difficulty.

A variety of factors have contributed to the uneven performance of different ministries and sectors. In the case of agriculture, the plan projections have often been made obsolete by sudden changes in the market for individual products such as sisal and pyrethrum after 1965; or adverse weather may affect the total production. As far as public development expenditure is concerned, the calibre and adequacy of staff in different ministries have been the most important reason explaining the differential performance of different ministries. Ministries which have been willing and able to attract expatriate staff to enhance their capability such as engineers in the Ministry of Works, or teachers in the Ministry of Education, have succeeded in meeting, or even surpassing, their targets. Another relevant factor is whether the planned development activity represents expansion of the existing type of activities or involves radical departures from past practices. In the former case, as for instance the quantitative expansion of the number of primary and secondary schools or the building of new roads, the targets can be met more easily than for instance in new programmes such as family planning or Special Rural Development Programme.

Apart from the implementation of the development projects, there is the question of the correspondence between declared and actual policies in specific areas. In this respect, the Kenyan record is a mixed one. Many of the policies enunciated for the agricultural sector have been followed reasonably closely. There are other areas such as manpower planning, incomes and employment policy, where there has been a wide divergence between the declared policy and the policies actually pursued. In the manpower field, the Plan commits the Government to expanding the facilities for education and training to fit the manpower requirements, including a control over the numbers entering for arts degrees at the University and a massive expansion of science-based courses. In the actual planning of higher education, these priorities have not been fully reflected. The popular pressures for rapid expansion of all sorts of higher education and the accommodation to increased output from schools for arts subjects has opened up a gap between the plan intentions and the actual outcome. Likewise, the basic principles of incomes policy enunciated in the Plan have been undermined by Government decisions on salaries for civil servants, politicians and ministers. In general, policies designed to accelerate rural development and shift Government expenditure radically in

favour of poorer people in both the rural and urban areas, while forcefully enunciated in the major documents of Government policy, have not always been followed in actual practice.

6. CRITICAL FACTORS

Some of the issues raised in this section have already been touched upon in the earlier sections of the report. In all such cases, only a brief discussion of the problems will be presented here.

Political Support for Development Planning and Policy

In a general sort of way all the major groups and leading personalities in the country are for "planning" and "development". But the full implications of a coherent development policy in terms of discipline and co-ordination of various Government policies are only imperfectly understood by the great majority of the people. However, there is little doubt that the concept of planning in its most fundamental sense of ordering of priorities and rational use of resources is steadily gaining ground. It is becoming necessary for individual politicians, ministries, pressure groups alike, to justify programmes, projects and policies in relation to the broad goals of development planning such as rapid expansion of the economy, equitable distribution of income, accelerated rural development, creation of employment opportunities and Kenyanisation of the economy.

In its narrower aspect of the political power of those entrusted with the formal planning responsibilities, the Kenyan experience is of some general interest. The years immediately following independence were marked by political unity and determination to secure accelerated development through national planning. This was reflected in active political participation in plan construction, in frequent meetings of the Cabinet Development Committee, and in the power of the Ministry of Economic Planning and Development in securing Government backing for programmes and policies designed to stimulate growth. The subsequent political divisions within the country and the decline in the political power of the then Minister in charge of planning was reflected in a general loss in centralised direction and co-ordination of development projects and policies. This continued to be the case until the fusion of the Ministry

of Planning with Finance under a politically powerful and able Minister in 1970. This has undoubtedly resulted in an increase in the power of those responsible for planning being able to impose their policies on the operating ministries.

Degree of National Integration

The years immediately following independence which saw the voluntary dissolution of the opposition party marked the peak of national unity. Since then, there has been a weakening of national unity. This was first expressed in the formation of Kenya People's Union, a breakaway group from the ruling party, KANU. The basis of the split was difference over the main lines of Government's economic policy, but clashes of personality and tribal animosities were also important elements. Within a few months of its formation, the KPU rapidly became associated with the Luo tribe. Although the party has now been proscribed and some of its former members have joined the ruling party, the divisions between the Kikuyu and the Luos have if anything deteriorated still further. Tribalism is condemned in speeches by the leaders and from various other quarters. But tribal tensions, and fears of discrimination and victimisation continue to exist and pose a serious problem to political unity and stability. The efforts made to weld various tribes and races into a single nation have not been completely successful. Nevertheless, these divisions, based on race, regions and tribes, have uptill now been contained within reasonable bounds and have been prevented from erupting into open conflagration, as has happened in a number of other African countries. But it is clear that unless genuine efforts are made by the Government to pursue policies which are and are seen to be fair and just to all the ethnic groups in the country, tribalism will continue to pose threat to the integrity of the state and hence to the pursuit of successful development strategy.

"Softness" or "hardness" of the State

The ruling party in Kenya is a loose coalition of different groups and individuals. It lacks a well-defined ideology and a strong organizational base. At the same time, there are a large number of functional and pressure groups which are well organised and geared to articulate their interests. Thus the Government policy tends to be responsive to the pleadings of special interests which may or may not be in harmony with the national interest as expressed in the development objectives of the country. Certainly many shifts

of Government policy can be traced to such pressures from individuals or well organised groups. The Government has also hesitated to pursue policies which will arouse strong opposition among powerful individuals and pressure groups. The failure of the Government to pursue a meaningful incomes policy, despite repeated declarations to that effect, is one instance of this. Another is the failure to agree on ceilings on individual land ownership.

It would, however, be a mistake to attribute too much power to non-government vested groups. In many cases, the explanation is to be found in the fact that many of the leading Government officials, politicians and ministers stood to lose from these policies, and hence had vested interests of their own to safeguard. Although the ruling party is weak, the Government inherited a powerful administrative machinery from the colonial era. The lynchpin of this machinery is the provincial and district administration which extends down to the smallest local Government units and gives the Government for development. Although the administrative structure has been used a powerful instrument to execute its policies and to mobilise people/to maintain law and order and to swiftly execute certain aspects of Government policy, it has not in general been used to full effect in boosting economic development. The Government has instead shown a preference for encouraging the voluntary efforts and energy of the people towards self-help efforts in the construction of schools, health centres, community halls, roads etc. This policy has paid dividends in the tremendous efforts that have been generated by the self-help movement.

Adequacy of Infrastructure

In general, the country has a reasonably well developed system of internal transport and communications. The supply of power has kept pace with the rising demand experienced in the last eight years. However, most of these facilities are available only in the more developed parts of the country. Poor communications, road, railway and air links, lack of water and power in most of the least developed parts of the country, presents a serious impediment to the integration of the national market and the reduction of regional inequalities. On the other hand, development of these services in such regions is costly and the economic benefits from them in the short run in terms of expanded economic activity appear very low.

The country is generally poorly endowed with mineral resources. The one major natural resource which has brought significant economic benefits is the existence of wildlife and beautiful beaches on the Coast.

Adequacy of Statistical and Other Information

As compared with most African countries, Kenya has a reasonably comprehensive range of statistical data. National accounts have been prepared for the past 18 years; there are reasonably good statistical series on all the major productive sectors of the economy. The trade and public finance data are available on an accurate basis over a much longer period. Since 1948, three population censuses have been compiled thus giving a reasonably complete demographic picture. The first input-output table for the economy was prepared in 1968, though it has not been published and has not been used to any extent in policy-making.

The major weakness in the statistical data relate to information on economic activities in the so-called subsistence sector. There are also major gaps on data on income distribution, as also on the coverage of activities in the informal urban sector. Information on all these aspects of the economy is vital for planning and policy-making, especially the policies designed to redistribute income and welfare. There is also need for surveys designed to obtain information on living standards of persons in different income groups and in different parts of the country. Although some household budget studies have been done, more specific information on indicators of welfare such as nutrition levels among low income groups in rural and urban areas, health, housing conditions, etc. is needed to design policies to overcome the worst aspects of poverty.

Closely related to this is the need for an analysis of the incidence of benefits of public expenditure; more data on this aspect of public expenditure would be highly useful in designing policies to raise social welfare of particular disadvantaged groups.

Another gap in our current knowledge of the Kenyan economy is information on aggregate savings and the savings propensities of different income groups, individuals and corporations, and among citizens and non-citizens. Linked to this is a flow of funds analysis. Information on these aspects of the economy is clearly vital for taxation policies, mobilisation of resources and in indicating the potential resources available.

Finally, it would be useful for many policy purposes to design a short-run projection model of the Kenya economy. Such model would reveal the inter-relationships among the main sectors of the economy, and enable the Government to make short run forecasting of such crucial variables as public revenue, aggregate demand and its main components, balance of payments etc. There is no doubt that even relatively crude forecasting of this nature would greatly improve planning and policy making, especially in indicating in advance to the operating ministries the amount of funds likely to be available for development spending. The current practice is to invite proposals for development from the ministries, often without precise guidance about the amount of resources likely to be available. The result is that by the time the Government has estimated revenue from taxation, loans and grants available for expenditure, the proposed projects have already been prepared by the spending ministries, and the Treasury is forced to make cuts, often of an arbitrary nature, causing a lot of frustration and bringing into disrepute the whole planning process.

Presence or Absence of a General Theory

It has already been indicated that there are a number of important policy documents such as the paper on African socialism, the successive KANU manifestos, and development plans, which sketch out in broad terms the basic strategy for development, the main objectives of planning, and often the broad policy instruments to be used in the pursuit of these objectives. But priorities change in response to changing conditions and needs, and to new research at the national and international level. Thus emphasis may shift to rural development, and within the latter to water supplies, and so on. But apart from that, there is no underlying system or grand theory which might enable the Government to make an appraisal of the balance and order of

various elements of development. Without specifying in a little more detail what such a system of theory might be, it is difficult to evaluate its potential contribution to improved development planning.

Methodology for Comparing Projects and Programmes in Different Fields or Sectors.

Reference was made earlier to the progress made in the establishment of a Project Analysis Unit in the Ministry of Finance and Planning. Despite some improvement in this respect, project analysis and preparation continues to be one of the most important weak points in the planning process in the country. Centralisation of essential information on the characteristics and rate of progress of projects is an important achievement and should help in identifying lagging sectors and hence in speeding up of implementation. Furthermore, steps are being taken to secure standardised information on planned projects, but the process is in its beginning stage, and it cannot be said that the projects included in the plan or even in the annual development estimates are done so on the basis of a common framework for analysis of their costs and benefits. The main constraint to further progress in this direction is the lack of adequate numbers of qualified personnel to undertake this sort of exercise. With the improvement in the staffing position, the project content of the plan and project selection, design and implementation can be expected to improve rapidly.

Problems of Co-ordination of Development at Various Levels

With the taking over of the responsibility for roads, primary education, and health from the local authorities outside the municipalities, the Central Government has further added to its powers and increased its role in development. Thus the planning of development projects and formulation of policies is done at the centre. Each spending ministry formulates its development programmes and policies at a national level in the light of whatever objectives might have been established. An inevitable result of such an approach is that each local area or region is allocated a series of projects as determined by individual ministries in consultation of course with their field officers and officials of local authorities and other interested parties. But this sort of approach still does not lead to an integrated area plan based on a careful assessment of the main constraints to accelerated development,

potential for development and determination of priorities. Another consequence of the national approach to planning of development activities at the ministry level is likely to be oversight of linkages between different activities in the same area. It is also likely that the neglect of certain backward areas in the allocation of development projects and public services may have been due to the failure to treat each area as a unit.

Conscious of such limitations of central planning, the Government has tried two new approaches: one is the drawing up of regional plans for certain provinces in the country by teams of specialists, often assembled for the sole purpose of doing this. Most such teams have been provided by various external agencies. Many of the experts lacked previous knowledge of the area and departed after completing the plans. It is, therefore, not surprising that these exercises have not been wholly successful, and their overall impact on the direction and amount of development activity in particular regions is difficult to assess as is their integration into the national plan.

The Special Rural Development Programme as an approach to an integrated plan at a local level has already been mentioned. Growing out of this experience, the Government has now taken the decision to proceed with plans for each district. The District and Provincial Development Committees will play an important role in this, as will the increased planning staff at the district level. It will be some years before significant progress is made with the drawing up of district development plans, but it is possible that the area based plans may be able to overcome the shortcomings of central planning noted above, provided they are taken seriously when it comes to allocation of resources and can be meshed in with the national development plan.

Problems of Administration and Civil Service, Corruption etc.

The inadequacies of the civil service in the face of the challenge posed by accelerated development through co-ordinated planning were discussed earlier. The appropriate structure of a civil service designed to manage development was the subject of a recent report known as the Commission on the Remuneration and Structure of the Public Service. It pinpointed a number of weaknesses in the present system and made some far-reaching recommendations concerning the efficiency and appropriate structure of the civil service. Among the weaknesses

impeding co-ordinated development planning, the Commission listed excessive concentration of power at the permanent secretary level, with the consequent loss in efficiency, failure to delegate power and responsibility, inadequacy of co-ordinating mechanisms at the centre among the ministries, the lack of expertise in development planning among the field staff at the provincial and district level and the failure of technical field officers of the Central Government ministries to work as a team with an integrated approach to local development problems. It also recognised inefficiency at a number of points in the Government machinery and suggested strengthening of the Directorate of Personnel in the President's Office with experts in management practices and the adoption of management by objectives approach to the improvement of efficiency in the civil service.

In addition to these weaknesses in the civil service, there are others deriving from the rapid localisation of the service that took place in the years immediately preceding and following independence. In any swift change like this, it is inevitable that certain individuals lacking the necessary competence and ability will come to hold high positions where they become a serious liability to progress. Apart from this general problem, the cause of integrated development planning and policies has suffered from the lack of interest in and understanding of these issues among a number of leading officials and politicians arising from their background and education in humanities and other subjects not related to the question of modernisation and development. Consequently such individuals find it difficult to comprehend inter-relatedness of the different economic and social policies of the Government and the need to reorient policies and institutions according to the dictates of a unified development approach. Kenya has its share of the problems of corruption, nepotism and tribalism. It is, however, difficult to say anything meaningful about the scale or magnitude of these problems. They certainly impede the effective pursuit of development planning and policies by breeding discontent and frustration, result in loss of efficiency in Government operation and inequity in allocation of resources and job opportunities.

Problems of External Dependency

Because of her history, including the colonial rule and the settlement of Europeans in large numbers, the institutions and structure of the economy as well as policies in a number of key areas, have been deeply influenced by external models. After independence, energetic attempts have been made to Kenyanise the economy. While this has resulted in the replacement of foreigners by Kenyans, the basic structures have with some exceptions, been carried over into the independence era. Thus many of the basic imbalances inherited from the colonial period, such as those between Nairobi and other urban areas, and between the urban and rural areas, regional imbalances, and inequalities between a small band of skilled highly paid employees, large farmers and businessmen, on the one hand, and the great mass of people in both the urban and the rural areas, on the other, have in many cases persisted into the independent era and in others have deepened. The influence of the external model and of European settlement is also seen in the elite schools, expensive university, unrealistic standards of buildings in urban areas, and in many other fields. Indeed the impact of the external model runs deeply in the entire social and economic system.

While thus extreme external dependency has created many problems, it has also provided opportunities for social and economic advance in a number of areas. Foreign technical assistance and research in social sciences, agriculture and medicine, has resulted in a better understanding of the problems of the country and in finding solutions to some of the problems of development. With all its faults, the civil service has proved capable of managing a greatly increased development effort. And many of the social and economic institutions inherited from the colonial era can be shaped to serve new purposes if a serious attempt is made. Perhaps one of the most important consequences of external dependency is its effect on the attitudes and thinking of the majority of the ruling elite in Kenya. These attitudes are strongly biased in favour of the continuation of past practices and of development along the known lines. They have discouraged innovation and radical experimentation.

Awareness of the limitations of external models in solving indigenous social and economic problems is spreading gradually and a willingness to depart from the past practices and ways of doing things is evident in many spheres. This is not the result of any deliberate policy towards dependency from outside but rather a consequence flowing out of the pressure from the persistence of problems and a realisation that the established policies and ways of doing things may not be adequate to come with them.

SECTION 2.

SOME PROPOSITIONS REGARDING A UNIFIED APPROACH TO DEVELOPMENT ANALYSIS AND PLANNING

The preceding sections have described and evaluated various aspects of development planning and analysis in Kenya. In this section, an attempt is made to assess the validity in the Kenya context of the proposition on unified development planning and analysis set out in the study outline.

Crisis in Planning

Of the triple challenge to planning noted in the outline of the study, there does not seem to be any great problem with respect to the basic purposes or final goal of planning. The basic objectives of development planning in Kenya have been stated on a number of occasions in the important policy documents of the Government. Inevitably, these objectives are stated in general terms such as rapidly rising per capital incomes, Kenyanisation of the economy, equitable distribution of fruits of growth and social justice and so on. These objectives are sometimes quantified and further elaborated and concretised in individual sectors and services. Nor have these objectives been defined in narrowly economic terms alone; for the national plans and Government policy statements have spelled out objectives in such terms as educational and health goals, mortality rates and life expectancies etc. There does not seem to be any general dissatisfaction either in terms of planning methodologies or at the popular level with the declared objectives and purposes of development planning. It is of course true that priorities among objectives may change over time either because some objectives have been attained in a satisfactory manner while others have lagged behind, or simply because awareness of new problems, changes in the underlying economic and social conditions, and in attitudes and values, have led to reassessment of priorities in social and economic objectives. This has not, however, led thus far to a basic questioning of the purpose or goal of planning.

With respect to the second challenge - the divorce between planning and policy-making, this has undoubtedly been an important problem in Kenya. The basic causes have been the traditional structure of Government machinery under which the operating ministries have been responsible for policy-making and execution of development projects in their area, the response and initiative of private effort which has sometimes moved ahead and at times in opposition to the official targets and objectives, and the power of vested interests of various sorts. However, even this aspect of the relative failure of planning must be looked at in historical perspective. There is evidence that increasingly development policies and activities are being influenced by the plan documents. The Government machinery is gradually being adapted to the requirements of a co-ordinated development approach through such changes as the establishment of planning units in the operating ministries and the strengthening of the planning machinery in the field, and generally through greater consciousness of development considerations in the day-to-day policy decisions. While the gap between planning and actual policy-making remains, it would be true to say that the gap has been narrowing.

With respect to the third aspect of the crisis in planning, it is undoubtedly true that the conventional techniques of planning focus almost entirely on narrowly economic objectives. The result of this has been neglect of some vital areas of human welfare such as nutrition, health, employment opportunities and equitable distribution of income and wealth, not to mention other cultural and social activities which are a source of personal satisfaction and enrichment in most societies. However, some of these considerations can be taken care of by such devices as the addition of new variables or the different weighting of the existing variables that explicitly or implicitly constitute the social welfare function, and the application of some of these techniques such as cost-benefit analysis, appropriately defined, to services and activities which have traditionally been neglected.

In the context of Kenya, the known limitations of the conventional planning techniques have undoubtedly biased development planning in certain directions. But on the whole, the non-economic problems and values have pressed themselves to the attention of policy-makers in forceful ways, and have therefore not been neglected in the actual policy-making, even though

they may have received inadequate attention in the formal plans. But perhaps a greater weakness in the Kenyan context is the gap between the available techniques and their application to development planning and implementation. It has, for instance, already been noted that individual projects are not sufficiently put through the test of project appraisal, nor is there a common framework for analysis of the main programmes and projects. The lack of the application of such techniques to so-called non-economic activities and services is even more glaring. The gap between the available techniques and their application to development projects and policies stems largely from the inadequacy of data and the high costs of obtaining them, and from lack of qualified persons trained to apply these techniques. With the steady improvement of data availability and of skilled manpower, there should be a corresponding improvement in project analysis and appraisal. If the overall objectives of development planning are to be met, it will, however, be essential to give explicit consideration to such factors as employment creation, regional balances, impact on income and welfare distribution etc. of the planned activities, over and above the conventional variables that enter into the traditional calculations of benefits and costs in project analysis.

Relevance of some General Propositions to Development Anslysis and Planning in Kenya

In general, the importance of background analysis and diagnosis in development planning has been well recognised in Kenya. The Kenyan Plans, especially since the revised Development Plan, 1966-70, have typically contained a detailed analysis of the problems and constraints in the main areas of development policy. The main weaknesses have beer in the formulation of specific policy instruments to achieve the desired results, and perhaps even more in the execution of these policies in the day to day decisions taken by operating ministries and organisations.

To a limited extent, the interrelationships between social and economic factors are examined at the macro level and attempts made to bring them into some sort of balance. But such interrelationships at the regional or local level

are not explored separately. This arises from the fact that the objectives and targets for production, services etc. are usually set at the national level, and only in exceptional cases do they specify their regional and local implications. Attempts are now being made to view development activities in different regions and areas in a coherent and integrated manner, and not just as a set of projects which may or may not be related to each other, conceived and implemented from the centre. The main instrument for adding regional and local specificity to national plans are expected to be the district development plans, which hopefully would cover all the districts over the next five to ten years. To this end, as already noted earlier, the planning machinery at the local level is being strengthened through the appointment of district development and planning officers. The implementation of the new decision on decentralised planning which will take several years before it becomes operational will remove an important weakness in the present planning process.

With respect to information and data gathering, most of this is done through the Central Government ministries. There are relatively few areas where information is collected by local bodies of various sorts. The implementation of decentralised planning will require additional data and information not currently collected under the national systems. This should provide an opportunity of cross-checking national data as well as obtaining data for area based planning which could subsequently be fed into the national data.

The desirability of centering attention on the real developmental goals of public programmes and activities rather than on sectoral or administrative sub-targets cannot be denied. In actual practice, the distinction between the two approaches may not be as sharp as implied here. However, it remains true that because of the ministerial system with different ministries responsible for different functions and with relatively ineffective co-ordinating mechanisms, there is a tendency to concentrate activities on the narrow, traditional confines and to overlook the potential for gain in programmes cutting across these boundaries. An example is education where responsibility for different aspects of it is dispersed among a number of ministries e.g. formal educational systems are the responsibility of the Ministry of Education, while adult education and

literacy campaigns fall under the Ministry of Co-operatives and Social Services; likewise responsibility for training is spread out among a number of ministries. An efficient approach to utilisation of human resources would clearly require a co-ordination of various programmes of education and training. Similar examples could be given from other sectors. It is difficult to think of a ministerial structure which could provide a satisfactory answer to this problem. A partial step in this direction could be the more effective co-ordination and control of various related activities by the Ministry of Finance and Planning through its planning responsibilities and its exercise of control over allocation of funds for recurrent and development expenditure.

The desirability of working out the total implications of given activities is also self-evident. Indeed, one of the main benefits of planning is precisely that it enables the adoption of such a comprehensive view of development activities. But in actual practice, most operating agencies seldom attempt to assess the total consequences of their policies and projects. Often, however, certain national objectives which at one stage might have been overlooked by individual agencies assume such public importance that the operating agencies are forced to take account of them. An example in point is the national obsession with unemployment in Kenya. The public concern with this problem and the increasing priority attached by the Government to accelerated employment creation is gradually forcing ministries such as the Ministry of Works to pay increasing attention to the technologies used in road and house construction. But all too often the interdependencies between various objectives are overlooked and the advantages of a unified approach are lost. Apart from a more effective role by the Ministry of Finance and Planning in terms of recognition of such inter-dependencies and their reflection in development policies and projects through its functions of planning and allocation of resources, some progress in this direction can be made by having in each ministry a group of highly qualified persons who by virtue of their training are capable of taking a comprehensive view of the activities of their ministries. With the establishment of planning units in the most important operating ministries, it can be expected that the broader objectives of national planning will receive more attention in the programmes of individual ministries. It is not obvious that new techniques need to be established to achieve this purpose. If the

planning units in the operating ministries could be adequately staffed and integrated into their decision-making procedures, substantial progress could be made towards the consideration of national objectives in individual projects and programmes.

Development planning in Kenya, while ambitious and realistic in many respects, has not been notable for innovativeness. Indeed there has been a premium on safe projects and a general tendency to fight shy of innovative and experimental approaches to development planning and policies. The cautious attitude derived in part from the need to carry out certain basic policies of the Government such as Kenyanisation in early years of independence and the shortage of skilled and experienced persons who felt confident enough to try out new approaches. There are signs that the Government is willing to experiment with new ideas and approaches as is evident in the Special Rural Development Programme, the rural industrialisation centres, and support of village polytechniques etc. But the willingness to experiment is still hampered by undue deference for foreign models and standards. It is not easy to see how innovation and experimentation can be institutionalised in development planning. As with so many other advances, what is required is a basic change in attitudes and a realisation that local problems often call for local solutions, not necessarily a borrowing of the practices and experience of other countries.

The question of the integration of planning with the "decision-making processes" in the Government has already been touched upon on a number of occasions. It was stated earlier that in many areas there continues to be a wide gap between stated objectives and policies and the actual ones. This is at least in part due to the fact that the persons who draw up the plan, both in the Ministry of Finance and Planning and in the operating ministries, are not the same as the persons who take actual policy decisions. The establishment of the planning units in various ministries has gone some way towards increasing the impact of planning on actual decisions. But inevitably policy decisions on developmental matters are influenced by many other factors such as the power of vested groups, the views of decision-makers, principally the top most civil servants and the ministers, and a variety of political considerations. However, the strengthening of planning units in terms of both numbers and quality of personnel, and the allocation of clear

responsibilities and advisory and decision-making powers in well-defined areas to such personnel, would represent an important step in improving consistency between the actual decisions on projects and policies and the plan intentions.

Furthermore, a number of improvements in the budgetary process of formulating recurrent and development expenditure estimates could make an important contribution towards making planning more effective. The annual development estimates should be much more closely related to the priorities of projects and policies as stated in the plan. The current practice is that proposals for development expenditure are invited from various ministries without any clear indication of the financial ceilings. The actual appropriations are made by the Treasury in the light of the likely funds available about which there continues to be uncertainty owing to heavy reliance on foreign aid. The net result is that decisions about allocation of funds are made on a basis which are regarded as arbitrary by the operating ministries and other organisations. This in turn leads to cynicism about planning and effort put into it is regarded as a waste of time. If the development estimates were more closely related to the projects and policies as set out in the plan and the Treasury decisions reflected the priorities established by the operating ministries on the basis of their own planning, this would make a powerful contribution to the integration of planning with the "decision-making process" in the Government.

It was stated earlier that while overall and sectoral objectives are stated very lucidly in the Kenyan Development Plans, there tends to be considerable variation among ministries in the precision and detail of the policy instruments specified to achieve these objectives. This result is due, among other factors, to insufficient time allocated to analysis of the sectoral development problems, which in turn is usually due to lack of adequate staff of the right quality. The simultaneous consideration of the objectives and means of different programmes should result in the establishment of more realistic objectives and improved prospects for their implementation. It is difficult to see how this might be institutionalised. This is one of the several ideas on planning whose incorporation into actual practice is dependent on the appropriate training of planners.

The replacement of single, comprehensive, fixed period plans by a variety of plans for different programmes and the construction of "development models or pictures of the future" could be adopted with profit in countries with adequate resources for planning. It is not clear that in a country like Kenya with very limited and highly unstable planning resources, this innovation in planning would be appropriate. To some extent, the conventional plans, although they refer to a single, fixed period for all activities, reflect the different time perspectives for different development activities. This is implicit in the targets of the plan which are conceived within a long term perspective. The actual programmes set out in the plan represent different stages in the achievement of the long term objectives of different sectoral programmes. It can be argued that the construction of separate plans for major programmes with different time horizons would contribute to more effective planning and appraisal of performance. On the other hand, it may also lead to greater difficulties in assessing the interrelationships between different plans. At any rate, the idea of a variety of closely related plans for different activities has not been considered seriously by the planning authorities. It would seem that at the present stage of development of the planning process in Kenya, this innovation might possibly lead to greater difficulties and confusion than the current systems of having a single comprehensive plan for a fixed period which is rolled over every three to four years.

The idea of constructing "pictures of the future" appears to be an attractive one. But once again in the present context of Kenya with severely limited planning resources, it is not clear that diversion of these resources from the usual tasks such as project analysis, policy-making etc. to working out the images of the future is a sound one. While the suggested proposal helps in seeing the long term implications of the development policies in a clearer perspective, it may also prove difficult to achieve, and in any case the future images or models may not be sufficiently clear and precise to carry much conviction and hence to influence policy decisions. Certainly an exercise along these lines has not been attempted in the past in Kenya in any systematic manner.

The planning process is Kenya is being modified in the direction of multi-level planning. The past attempts to integrate local and regional planning into the national plan were not notably successful. Now the decision has been taken to proceed with the preparation of district development plans throughout the country and to integrate them with the national plan. The full implications of this new dimension of the planning process have not been explored. There are for instance, a number of technical, financial and administrative problems involved in dovetailing the local plans with the national plan and there is no evidence that these have been fully grasped.

Concluding Remarks

The preceding paragraphs have implied that at this juncture in Kenya there would not appear to be a need for drastic changes in the planning techniques, methodology and processes. The most important gains are likely to accrue from a continuing strengthening of the planning machinery, upgrading of the skills of the officials involved in decisions on social and economic policy, and greater adherence to the declared policy in day to day policy decisions.

With respect to development policy, although the objective of equitable income distribution has been stressed in the Government documents, it has not been fully reflected in the development strategy and policies pursued. This is one area where planning is in need of major revision. What is required is a systematic consideration of the distributional implications of all government policies and projects. The highest priority, therefore, needs to be attached to the search for innovations in planning techniques and procedures and in development policies which will ensure a systematic consideration of equity in decisions on economic and social matters.